

Pierce D. Kane, Averill Park.  
 James P. Bruen, Bedford Hills.  
 Hanna A. Williams, Belleville.  
 Leonard A. Wiley, Cape Vincent.  
 Burdette G. Dewell, Catskill.  
 Thomas F. J. Hannan, Chappaqua.  
 William J. Casselman, Clayton.  
 Clayton I. Burch, Earlville.  
 Wayne H. Wright, East Aurora.  
 Fred S. Tripp, Guilford.  
 William L. McGranaghan, Hancock.  
 Matthew F. Dixon, Hamilton.  
 Katherine C. Newton, Homer.  
 Louis C. Donovan, Mount Morris.  
 Hiram C. Denton, Northville.  
 William F. McNichol, Nyack.  
 Arthur B. Stiles, Owego.  
 Robert E. Purcell, Philadelphia.  
 John M. Corey, Saratoga Springs.  
 George O. Fountain, Scarborough.  
 Daniel J. Falvey, Schuylerville.  
 Raymond J. Slaterry, Trudeau.  
 Dennis A. Ferris, Windham.

## NORTH CAROLINA

William H. Snuggs, Albemarle.  
 Wythe M. Peyton, Asheville.  
 Don P. Steed, Candor.  
 Rufas C. Powell, Denton.  
 Wilburn E. Berry, Drexel.  
 William T. Culpepper, Elizabeth City.  
 Berta B. White, Ellerbe.  
 Harry L. Ward, Gatesville.  
 Mabel W. Jordan, Gibsonville.  
 Thomas T. Hollingsworth, Greenville.  
 Robert S. Doak, Guilford College.  
 John E. Morris, Hertford.  
 Stephen C. Clark, High Point.  
 James J. Parker, Murfreesboro.  
 Wightman C. Vick, Norwood.  
 George W. Hardison, Plymouth.  
 Louella Swindell, Swanquarter.  
 Leslie T. Fowden, Williamston.

## OKLAHOMA

Martin G. Kizer, Apache.  
 David S. Williams, Purcell.

## PENNSYLVANIA

Wilbur G. Warner, Lehighton.  
 Penrose L. Young, Northampton.  
 Russell W. Mosteller, Pen Argyl.  
 George G. Foley, Pocono Manor.  
 Earl R. Young, Weatherly.  
 George D. Arner, Weissport.  
 Charles J. Trexler, Windgap.

## SOUTH DAKOTA

Gertrude S. Severson, Brandt.  
 James R. Kohlman, Conde.  
 Alfred E. Paine, Doland.  
 John E. Dunn, Elkton.  
 Norbert F. King, Frankfort.  
 George M. Foltz, Herrick.  
 J. Russell Andersen, Irene.  
 Anna A. Dithmer, Kadoka.  
 Florence M. Langer, Olivet.  
 Charles E. Stutenroth, Redfield.  
 Kathryn H. Speirs, Ree Heights.  
 Joseph A. Crowley, Sioux Falls.  
 Helen L. Kieffer, White Lake.

## TEXAS

John W. White, Uvalde.

## REJECTIONS

*Executive nomination rejected by the Senate, May 10  
 (legislative day of April 20), 1938*

## POSTMASTER

## NEW JERSEY

Frank James Grownney to be postmaster at Englewood, in the State of New Jersey.

## HOUSE OF REPRESENTATIVES

TUESDAY, MAY 10, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of Hosts and our Heavenly Father upon earth, we seek Thy presence that we may fulfill the duties of this day in the spirit of the Master. Thy ways are past finding out, yet Thou hast given us an immortal Teacher in Thine only begotten Son. We fervently pray Thee to guide us in those things that make for godliness in thought and action. Do Thou empty us of all selfish and ignoble desires. Make us deeply just and serious in all our deliberations. Oh, blessed is the man whose delight is in the Lord. Help us to learn more and more that mercy is greater than sacrifice, that truth is more wonderful than fiction, that reality surpasses all dreams, and that goodness will ever outlive greatness. Grant that we may breast the stream of the future unafraid, soothed and deathlessly nourished by a life that is sustained by the mercy and love of an infinite God. Upon our praying lips we bear to the throne of grace our President, our Speaker, and the Congress; keep and shelter them day by day. In the Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bills of the House of the following titles:

On April 29, 1938:

H. J. Res. 573. Joint resolution to amend the joint resolution entitled "Joint resolution authorizing Federal participation in the New York World's Fair 1939"; and

H. R. 5731. An act for the relief of Ruth Rule, a minor.

On May 9, 1938:

H. R. 9621. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1939, and for other purposes; and

H. R. 8039. An act to authorize the attendance of the Marine Band at the observance of the seventy-fifth anniversary of the Battle of Gettysburg, to be held at Gettysburg, Adams County, Pa., on July 1, 2, and 3, 1938.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10238. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4276) entitled "An act to amend an act entitled 'An act to create a juvenile court in and for the District of Columbia,' and for other purposes."

## FILING OF MINORITY VIEWS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the minority upon the Committee on Appropriations may

have until midnight tonight to file minority views on House Joint Resolution 679.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### NAVY AUTHORIZATION BILL

Mr. VINSON of Georgia submitted a conference report and statement on the bill (H. R. 9218) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

#### INVESTIGATION OF UN-AMERICAN PROPAGANDA

Mr. DIES, from the Committee on Rules, submitted the following report (Rept. No. 2319), which was referred to the House Calendar and ordered printed:

#### House Resolution 282

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven members for the purpose of conducting an investigation of (1) the extent, character, and objects of un-American propaganda activities in the United States, (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony as it deems necessary. Subpoenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

#### EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and insert therein a speech I delivered on Saturday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WENE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with regard to the wage and hour petition.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a speech made by the Speaker last evening at the triennial convention of the B'nai B'rith organization at the Willard Hotel, Washington, D. C.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein observations on the reciprocal-trade agreement entered into by Secretary Hull with Switzerland.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a resolution passed by the Federated Women's Club of Illinois on flood relief.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### EXPORTATION OF HELIUM

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, the newspapers carry a report today of a statement by Mr. Ickes that the matter of the exportation of helium gas insofar as he is concerned is a closed issue. It has not been my favor to have been able to congratulate Mr. Ickes on anything in the past, but I do wish to take this opportunity to congratulate him on his stand against exporting helium and on his statement as just reported.

I also want to say to him through you, Mr. Speaker, that I hope he will stick by his guns and will not give in to the pressure which will probably be put upon him in the next few days.

I could never understand why we originally passed the helium export law of 1937. Such a law was not at all necessary and not at all in line with public sentiment in this country. I have stated many times that it should be repealed, and I reiterate today that it should be repealed. Therefore, I ask the House of Representatives to give early consideration to my repealer, H. R. 10259.

[Here the gavel fell.]

Mr. RICH. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Will the gentleman from Pennsylvania withhold that a moment so we may take up a small matter from the Committee on Appropriations?

Mr. RICH. I withhold it, Mr. Speaker.

#### UNEMPLOYMENT COMPENSATION ADMINISTRATION BY SOCIAL SECURITY BOARD

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

The Clerk read the joint resolution, as follows:

*Resolved, etc.*, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500,000 as an additional amount for the fiscal year ending June 30, 1938, for grants to States for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, and under the limitations in the appropriation for this purpose in the Independent Offices Appropriation Act, 1938.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. I think the gentleman from Virginia should make a statement upon the subject so that the House may understand.

Mr. WOODRUM. Mr. Speaker, under the Social Security Act, the Federal Government allocates to the States a sufficient amount of money to enable the States to administer their unemployment compensation laws. That fund is collected into the Treasury from the unemployment compensation tax, which is levied on employers and pay rolls. It is then paid out of the Treasury back to the States in the form of this amount to enable them to carry on the unemployment compensation activity. The Budget estimate was for \$4,000,000 for the remainder of this fiscal year.

Mr. TABER. If the gentleman will permit, \$4,500,000.

Mr. WOODRUM. That is correct, \$4,500,000 for this fiscal year. The committee cut the amount to two and a half million dollars, which the committee believes is necessary to enable the Social Security Board to make allocations to the several States to carry on these activities for the remainder of the present fiscal year.

Mr. TABER. Mr. Speaker, I think after that explanation that I should add that the reason why we should appropriate a small amount more at this time is because some service must be performed by the States to make the weekly payments under titles 3 and 9 of the Social Security Act, and

there is an obligation on the part of the Federal Government to pay those expenses on the part of the States out of the 10 percent of the 3-percent tax which is paid to the Federal Government under titles 3 and 9.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. RICH. Does the gentleman not think now that we ought to earmark the money that is put up for social security, so that the Federal Government has it whenever it is needed for that particular purpose?

Mr. WOODRUM. Every penny of money that is collected from social-security tax is earmarked and cannot be expended out of the Federal Treasury unless Congress appropriates it, and Congress has not appropriated one penny of it.

Mr. RICH. Does the gentleman mean to say that all of the money that has been paid in for the amount of the assessment on the employer and the employee is intact in the Federal Government?

Mr. WOODRUM. Either there or there are securities for it.

Mr. RICH. If the gentleman will show me any place where we have any money in the Federal Treasury to pay this, I would like to buy you all—well, ice cream, at least.

Mr. WOODRUM. I shall meet the gentleman just after I get through with my speech.

Mr. RICH. The money is not in the Treasury.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### VOLUNTEER UNITED STATES OFFICERS AND SOLDIERS IN WAR WITH SPAIN

Mr. BEITER. Mr. Speaker, I call up the conference report upon the bill (H. R. 2904) for the relief of officers and soldiers of the Volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, and move its adoption.

The Clerk reported the conference report.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2904) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

ALFRED F. BEITER,

ARTHUR B. JENKS,

Managers on the part of the House.

M. M. LOGAN,

ARTHUR CAPPER,

L. B. SCHWELLENBACH,

Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2904) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the Senate amendment, namely:

The amendment as proposed by the Senate provides that no benefits shall accrue under any provision of this Act to any person whose claim is based upon the service of any such officer or soldier discharged in the Philippine Islands at his own request. The managers on the part of the House agree to the amendment of the Senate.

ALFRED F. BEITER,

ARTHUR B. JENKS,

Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

#### AGRICULTURAL APPROPRIATION BILL, 1939

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10238, making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Chair appointed the following conferees: Mr. CANNON of Missouri, Mr. TARVER, Mr. UMSTEAD, Mr. LAMBERTSON, and Mr. DIRKSEN.

#### LAWS ENACTED BY NATIONAL ASSEMBLY, PHILIPPINE ISLANDS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith copies of laws enacted by the First National Assembly of the Philippines during its second special session, from August 28, 1937, to September 8, 1937, its third special session on September 9, 1937, and its second session from October 16, 1937, to November 21, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1938.

#### CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-eight Members present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 72]

Ashbrook	Flannagan	Kvale	Smith, Okla.
Barden	Flannery	Larrabee	Smith, W. Va.
Barry	Frey, Pa.	McCormack	Stack
Boren	Gavagan	McGehee	Starnes
Boylan, N. Y.	Gildea	McGranery	Steagall
Buckley, N. Y.	Gingery	McGroarty	Sullivan
Bulwinkle	Gray, Pa.	McMillan	Sweeney
Byrne	Hancock, N. C.	May	Taylor, S. C.
Cannon, Wis.	Hartley	Mitchell, Tenn.	Tinkham
Cartwright	Hildebrandt	Moser, Pa.	Tobey
Casey, Mass.	Holmes	Nichols	Voorhis
Champion	Hook	Norton	Wearin
Collins	Izac	O'Connor, Mont.	Weaver
Crosby	Jarman	O'Malley	Wene
Deen	Jenckes, Ind.	O'Neal, Ky.	Wheelchel
Dempsey	Jenkins, Ohio	Phillips	White, Idaho
Disney	Jenks, N. H.	Polk	Withrow
Ditter	Kelly, N. Y.	Quinn	Wolfenden
Douglas	Kennedy, Md.	Rogers, Okla.	Wolverton
Faddis	Kerr	Scrugham	Wood
Fish	Kirwan	Shannon	

The SPEAKER. On this roll call 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### ADDITIONAL UNITED STATES JUDGES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3691) to provide for the appointment of additional judges for certain United States district courts, circuit courts of appeals,

and certain courts of the United States for the District of Columbia, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS of Texas, CELLER, and GUYER.

#### EXTENSION OF REMARKS

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter I wrote to the President of the United States and his answer thereto.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PETTENGILL. Mr. Speaker, I make a similar request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the eightieth anniversary of the admission of Minnesota as a State on May 11.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### HAS THE C. I. O. AN UNDERCOVER MAN ON THE N. L. R. B.?

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein a resolution which I have introduced.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, so many serious charges have been made by responsible persons to the effect that the interpretation and attempted enforcement of the National Labor Relations Act is biased, unfair, and in disregard not only of the principles of law but of justice that the promotion of industrial peace through the operation of the law, as administered by the present Board, seems impossible of accomplishment.

The act has not diminished the causes of industrial dispute. This is due in part at least to inherent defects in the law itself.

It is due in no small measure to the interpretation given the act and the manner in which it has been enforced.

At this time reference will be made to but one phase of the Board's activity—that which indicates that the C. I. O. has an undercover man on the Board's staff.

It has been frequently charged—and, indeed, it is not seriously denied—that C. I. O. organizers and representatives assist agents of the Board in procuring witnesses, obtaining testimony, conducting hearings.

The Board has been asked in judicial proceedings whether C. I. O. representatives have not taken part in the preparation of opinions. So far the Board in these judicial proceedings has failed to make answer to this very pertinent and far-reaching question.

It now appears from evidence which cannot be refuted that C. I. O. representatives are on the inside, have knowledge of, and are permitted to obtain information which discloses in advance of their rendition decisions to be made by the Board itself.

Here is a photostatic copy of part of a page from the California edition of the United Automobile Worker, member of the Committee for Industrial Organization, published at Los Angeles, Calif., April 9, 1938.

The heading of the article reads:

Labor Board orders Douglas to reinstate 45 sit-down strikers.

The article states that—

Douglas Aircraft Co., Inc., was guilty of unfair labor practices prior to, during, and after the sit-down strike of February 1937, according to a decision of the National Labor Relations Board released in Washington. The company is ordered to reinstate 45 men and pay them for time lost because of unemployment since the strike.

The news report then gives other high lights of the decision and states that—

Immediately upon receipt of the full findings of the Labor Board, the Auto Worker will issue a complete summary of the report and its findings.

Inquiry yesterday at the office of the Labor Board brought the information that the decision was made April 20, 1938, and went to the Printer on the 29th.

Inquiry at the Government Printing Office disclosed that it was not yet available for distribution.

The United Automobile Worker, a C. I. O. publication, would not have been able to print an accurate analysis of the decision, giving many of its terms, unless it had in the N. L. R. B. organization some educated person who assisted in the drafting of the opinion and disclosed in advance of its rendition the contents of that opinion.

By what legerdemain is a C. I. O. publication enabled to print, 11 days before it is made, the salient points of the decision in a controversy between one of its affiliates and Douglas Aircraft Co., Inc.?

Douglas Aircraft Co., Inc., at the time of the sit-down strike in February 1937, was engaged in the manufacture of planes for the armed forces of the United States. There was a sit-down strike which threatened the destruction of these planes and the materials gathered for their construction.

Those who caused and took part in the strike were directly interfering with the preparations of the Army for national defense. They were impairing the country's efficiency to meet and defeat its enemies in time of war.

They made a complaint against Douglas Aircraft Co., Inc., to the N. L. R. B., a governmental agency. It was the duty of the N. L. R. B. to conduct a full and fair hearing, to render a decision that would do justice between the parties, and to protect the Government which created it.

What happened? Eleven days before the Board rendered its decision in this important case, where the defendant company was engaged in making planes for the protection of the Government, someone on the inside, who had access to the files, who had the confidence of those charged with making this decision, furnished confidential information as to the N. L. R. B.'s decision to an organization affiliated with those who, by the sit-down strike, were hamstringing the Government's defense plans.

What was the purpose and what was the result of the giving of this advance information? We need not speculate. United Automobile Worker prints it, so that all may read. Let me quote from the article itself:

#### MEMBERSHIP POUR IN

News of the decision had an immediate effect upon Douglas Local 214. Members who had fallen behind in their dues trooped in and others who had been out of the local entirely inquired as to how they could regain membership. Applications were also received from old Aircraft Workers Union members who realize that if there is to be any effective organization in the Douglas plant it will have to be built around the U. A. W. A.

This decision, giving aid and comfort to the country's enemies, was rendered by the N. L. R. B., which ordered the reinstatement of an alien, whose employment on planes intended for defense purposes was prohibited by a Federal statute.

Not only did the Board order his reinstatement, in violation of law, but it did not safeguard its decision. Advance information of that decision was permitted to reach an affiliate of those engaged in the sit-down strike and, as you have just noted, this advance information strengthened the sit-down strikers and enabled them to add new men to their membership, to increase their war chest, and to more successfully fight the Government which created the N. L. R. B.

Another instance is that, where, if the charge of John Ferguson in the public press be true, advance information of the decision rendered in the case of local 16, Associated Workers of Printing and Finishing and Allied Industries at Bradford, Westerly, R. I., was published in a Detroit labor newspaper on December 11, 1937, under the name of William

Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, bearing a date line of December 8, the official decision being handed down on December 22.

The photostatic copy of a part of the item in the Providence (R. I.) Journal of December 25, 1937, reads as follows:

The charge that the National Labor Relations Board and the C. I. O. are "working together" was made last night by John Ferguson of Westerly, attorney for the Bradford Dyeing Association's Employees' Federation.

He said he based his charge on the fact that a Detroit labor newspaper carried a story of the decision in the Bradford mills case 2 weeks before the decision was announced officially at Washington.

The newspaper story appeared in the People's Press in its December 11 edition, under the name of William Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, and carried a date line "Westerly, R. I., December 8," Ferguson declared.

These two incidents show that, from some source within the N. L. R. B. itself, C. I. O. is enabled to obtain advance information of decisions made later by the Board.

These facts alone show that an investigation is necessary. Other reasons for an investigation are set forth in the resolution introduced today, and which I read:

Resolution to determine the effectiveness of the Wagner law and the manner of its enforcement

1. Whereas the preamble of the National Labor Relations Act, commonly known as the Wagner Act, which became law on July 5, 1935, recites that it is "An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes"; and

2. Whereas the records of the Department of Labor show that there were during 1936, 2,172 strikes, 788,648 workers involved, 13,901,956 days lost; during 1937, 4,590 strikes, 1,850,350 workers involved, 28,230,130 days lost; and

3. Whereas from the foregoing facts it appears that neither the Wagner Act nor the interpretation and enforcement of that act by the National Labor Relations Board, hereinafter referred to as the N. L. R. B., has diminished the causes of labor disputes; and

4. Whereas it is now openly charged through the press by responsible persons, and a poll of public sentiment as late as May 8, 1938, shows, that a substantial majority of the people believe that the act, as interpreted and administered by the N. L. R. B., is the cause of labor disputes; and

5. Whereas under the Wagner Act the N. L. R. B. has no power of conciliation, mediation, or arbitration; and

6. Whereas under the act the N. L. R. B. has no power to fix wages, hours of employment, or to determine working conditions, or to interpret or enforce contracts existing between employees and employer; and

7. Whereas the act declares that "employees shall have the right to self-organization, to form, join, or assist labor organizations," and "to bargain collectively through representatives of their own choosing"; and

8. Whereas the N. L. R. B. has, by its decisions, held that the right of a worker to organize meant that he must belong to, or at least be represented by, a union selected by the majority; and

9. Whereas the N. L. R. B. has ordered employers to cancel contracts with certain unions and to enter into collective bargaining contracts with other unions; and

10. Whereas the N. L. R. B. has, by its orders, forced employees, if they would work for certain employers, to join a union designated by the N. L. R. B.; and

11. Whereas the C. I. O. has prevented members of other unions, workers who belonged to no union, and members of its own union from working until fees due the C. I. O. were paid; and

12. Whereas such conduct on the part of the C. I. O. is encouraged by the favoritism shown it by decisions of the N. L. R. B.; and

13. Whereas the N. L. R. B. has on occasion failed to call an election to determine the bargaining agent of the workers when requested by an A. F. of L. organization or by independent unions, as in the case of the demand of the American Federation of Labor unions and the demand of the independent union for an election by the employees of the Consumers Power Co. where possession of the company's plants at Jackson and other points in Michigan was taken by a C. I. O. organization, and has, by its conduct in so doing, lent assistance to the membership drives of the C. I. O.; and

14. Whereas Joseph A. Padway, counsel for the American Federation of Labor, released for publication on April 30, 1938, a statement in which, referring to certain decisions, he said:

"These decisions indicate a strong tendency by the Board to assume jurisdiction to regulate and control the normal activities of labor unions which never was contemplated by the National Labor Relations Act.

"We find the Board has gone far afield of its original functions in these respects.

"1. It has invalidated existing contracts entered into between employers and labor unions.

"2. It has directed employers not to enter into contracts because a complaint was pending.

"3. It has ordered employers to abstain from recognizing the union of a majority of employees because charges have been filed by a rival union.

"4. It has set aside the choice of a majority of the workers registered in an election held and supervised by the Board's own staff.

"5. It has called formal hearings tending to disrupt existing contractual relations between an employer and the union representing a majority of employees merely because a rival union has filed a petition for a hearing."

and

15a. Whereas union representatives claiming to act for 200,000 workers of the Republic Steel Corporation, H. J. Heinz Co., Duquesne Light & Power Co., Remington Rand, Inc., Jones & Laughlin Corporation, Pressed Steel Car Co. of Pittsburgh, and the National Steel Corporation, meeting here in Washington, among other things, charged the Board was creating disregard for law and order, "by encouraging strikes, illegal trespass, violence, coercion, intimidation, labor racketeering," and "by acting as an enlistment and dues-collecting agency, thus forcing workers to join the Board's favored union"; and

15. Whereas under the Wagner Act, the N. L. R. B. appoints from its own staff:

(a) Investigators to search out witnesses and to procure testimony;

(b) Attorneys to interview the witnesses so found and to introduce before an examiner the testimony so produced;

(c) Examiners to hear the witnesses and determine the weight of the testimony so found, produced, and presented by its own investigators and attorney;

and the N. L. R. B. in many cases then adopts the finding of the examiner; and

16. Whereas the Wagner Act provides that, on appeal, the conclusions of the examiner and the N. L. R. B. shall be assumed to be true, notwithstanding the fact that such findings may be against the clear weight or the overwhelming weight of the testimony; and

17. Whereas since the decision of the Supreme Court that:

"Those who are brought into contest with the Government in a quasi-judicial proceeding aimed at the control of their activities are entitled to be fairly advised of what the Government proposes and to be heard upon its proposals before it issues its final command"; and that

"Congress, in requiring a 'full hearing,' had regard to judicial standards—not in any technical sense but with respect to those fundamental requirements of fairness which are of the essence of due process in a proceeding of a judicial nature"; and that

"The requirements of fairness are not exhausted in the taking or consideration of evidence, but extend to the concluding parts of the procedure as well as to the beginning and intermediate steps"; and

18. Whereas since such decision, the N. L. R. B., through its General Counsel, Charles Fahy, by petition to circuit courts of appeals, has asked leave to withdraw its petition for an order to enforce the findings which it made against the Ford Motor Co., Republic Steel Corporation, Inland Steel Co., H. J. Heinz Co., and others, thus admitting that its proceedings in those cases at least have been unfair and that it has denied the constitutional guaranty of "due process" and has acted in an arbitrary manner and that it has made orders in those cases which were not warranted by the facts and were without authority of law; and

19. Whereas by such attempted withdrawal it will be enabled to avoid a judicial public exposure of its unlawful, biased, and arbitrary actions; and

20. Whereas the Ford Motor Co. filed a motion in the United States Circuit Court of Appeals of the Sixth Circuit, asking, among other things, that the N. L. R. B. be required to answer as to whether in its decision against the company, "anyone not connected with the Board had been consulted" and whether the N. L. R. B., before rendering its decision, had consulted with John L. Lewis, chairman of the C. I. O.; Homer Martin, president of the U. A. W. A.; or Thomas Corcoran and Benjamin V. Cohen, New Deal attorneys and legal advisers to the President; and

21. Whereas the N. L. R. B., through its attorney, has sought to avoid the answering of those questions by asking leave to withdraw its petition for the enforcement of the Ford order and, by such request, denies the company the opportunity to require an answer under oath in a judicial proceeding where a false answer would be perjury, and thus conceals the method by which it reached a decision; and

22. Whereas the Ford Co. in the same proceeding has asked the court to require Chairman J. Warren Madden and Board members Edward S. Smith and Donald Wakefield Smith to answer under oath:

Whether the Board, or any member, had read all or any part of a stenographic transcript of verbatim report of testimony taken at the trial hearing.

Whether any summary or abstract of testimony, or notes or memorandum, was prepared by any Board member, employee, or other person.

Whether any member of the Board read or inspected each exhibit.

Whether the Board, or any member thereof, made use of any material other than the hearing testimony and exhibits in arriving at a decision.

Whether the Board, or any member, read all of the company's petition for a hearing.

23. Whereas the action of the N. L. R. B. in filing its petition to be permitted to withdraw the order it has made against the Ford Motor Co. tends directly to suppress the truth and is a refusal to answer under oath the inquiry as to whether the decisions of the N. L. R. B. are dictated or influenced by John L. Lewis, Homer Martin, or others, and is, in the minds of many people, a tacit admission that the decisions rendered are not the decisions of the N. L. R. B., are not based upon testimony but are the result of political demands made by those who are not entitled to participate in any way in the decisions of the N. L. R. B.; and

24. Whereas the Inland Steel Co. has charged that its attorneys were arbitrarily limited in cross-examination in the presentation of evidence and in the examination of witnesses by Charles A. Wood, of the N. L. R. B., and that its witnesses were "bullied" by the N. L. R. B. attorneys, and that C. I. O. representatives jammed the hearing room to intimidate its witnesses, which, under the decision of the United States Supreme Court in the Scottsboro case, amounted to a deprivation of a fair trial; and has charged that the trial examiner refused to issue subpoenas for the defense on written application, which application, except in one instance, was required to disclose the purpose of the testimony; and that, throughout the hearing, the examiner "displayed animosity and hostility and prejudice against" the petitioner and its attorneys and witnesses; and

25. Whereas such charges, if true, show that the N. L. R. B. deprived the Inland Steel Co. of its rights under the Constitution to due process of law and its day in court; and

26. Whereas the N. L. R. B., by asking permission to withdraw its order, tacitly admits the truth of such charges; and

27. Whereas the N. L. R. B. has ordered the Douglas Aircraft Corporation to reinstate 45 workers who took part in a sit-down strike while the company was engaged in the manufacture of airplanes for the Government, 11 of those so ordered to be reinstated having been convicted of a felony in connection with the sit-down strike, and 1 of those so ordered to be reinstated being an alien, this notwithstanding the statute which provides that—

"No alien shall have access to plans or specifications or work on Government planes"; and

28. Whereas the N. L. R. B. has ordered the reinstatement of 5,000 employees of the Republic Steel Corporation, notwithstanding the fact that 6 had pleaded guilty to the use of explosives, 9 had pleaded guilty to obstructing United States mails; that 12 had pleaded guilty to assault and battery; that 67 had pleaded guilty to rioting; that 6 had pleaded guilty to malicious destruction of property; that 5 had pleaded guilty to obstructing railroad tracks; and that 9 had pleaded guilty to carrying concealed weapons; and

29. Whereas, as appears from the photostatic copy of the Los Angeles edition of the United Automobile Worker, a newspaper of the United Automobile Workers of America, under date of April 9, 1938 (printed in part as exhibit A), the decision of the N. L. R. B. in the case against the Douglas Aircraft Corporation was published in that paper on the 9th day of April 1938, while the decision of the N. L. R. B. was not officially made until April 20, 1938, 11 days after it was published in the C. I. O. affiliate's newspaper, and it is therefore pertinent to inquire how, by what means, and why a synopsis of an official decision of the N. L. R. B. appeared in a C. I. O. newspaper prior to the official dating and announcement of such decision and prior to the time it was released to the press generally; and

30. Whereas Local 16, Associated Workers of Printing and Finishing and Allied Industries at Bradford, Westerly, R. I., through its attorney, John Ferguson, charged that the N. L. R. B. and the C. I. O. were working together, which charge was based on the fact that "a Detroit labor newspaper carried a story of the decision in the Bradford Mills case 2 weeks before the decision was announced officially in Washington. The newspaper story appeared in the Peoples Press in its December 11 edition, under the name of William Siroka, \* \* \* and carried a date line Westerly, R. I., December 8" (while the official decision was handed down on December 22), as appears by the photostatic copy of an item appearing in the Providence (R. I.) Journal of December 25, 1937 (printed in part as exhibit B); and

31. Whereas there are from day to day in many of the newspapers of the country news items and articles which charge that the Wagner Act in its present form is unfair and unjust and that the N. L. R. B., its examiners, attorneys, and investigators, are closely affiliated with the C. I. O. and its decisions influenced by C. I. O. officials and members; and

32. Whereas it is now evident that the Wagner Law has failed in its announced purpose, that the N. L. R. B. has lost the confidence and respect of employee and employer, and that its activities are increasing unemployment and hampering recovery: Now, therefore, be it

Resolved, That a committee of five be appointed by the Speaker of the House to take testimony to determine:

(a) Whether the National Labor Relations Act as written tends "to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce";

(b) Whether the interpretation and administration of the act tends "to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce";

(c) Whether the charges made as above recited are true;

(d) In what manner, if any, the Wagner Act should be amended;

(e) What changes, if any, should be made, either in the personnel or in the procedure of the N. L. R. B.

Said committee may sit and conduct its investigations anywhere within or without the District of Columbia; take and hear proofs and testimony; subpoena and compel the attendance of witnesses, the production of books, records, and documents; employ counsel, clerks, assistants, and such other employees needed by the committee properly to perform its functions hereunder, and to fix the compensation of each within the amounts appropriated therefor; that such committee shall have all such further powers as are conferred upon congressional committees generally by the acts of Congress; and be it further

Resolved, That such committee report to the Congress of the United States on or before the first Monday of January 1939, and that there be, and there is hereby, appropriated for the expenses actually necessarily incurred by said committee the sum of \$25,000, or so much thereof as may be necessary, payable on the audit and warrant of the United States in the manner prescribed by law.

#### EXHIBIT A

UNITED AUTOMOBILE WORKER, MEMBER OF THE COMMITTEE FOR INDUSTRIAL ORGANIZATION, CALIFORNIA EDITION

Los Angeles, Calif., April 9, 1938

LABOR BOARD ORDERS DOUGLAS TO REINSTATE 45 SIT-DOWN STRIKERS

Douglas Aircraft Co., Inc., was guilty of unfair labor practices prior to, during, and after the sit-down strike of February 1937, according to a decision of the National Labor Relations Board released in Washington. The company is ordered to reinstate 45 men and pay them for time lost because of unemployment since the strike.

#### MEMBERSHIPS POUR IN

News of the decision had an immediate effect upon Douglas Local 214. Members who had fallen behind in their dues trooped in, and others who had been out of the local entirely inquired as to how they could regain membership. Applications were also received from old Aircraft Workers Union members who realize that if there is to be any effective organization in the Douglas plant it will have to be built around the U. A. W. A.

#### EXHIBIT B

[From the Providence Journal, Christmas morning, 1937]

BRADFORD RULING GIVEN C. I. O. FIRST—WESTERLY ATTORNEY REVEALS ADVANCE PUBLICATION OF LABOR BOARD DECISION—HINTS TWO COOPERATE—SAYS DETROIT LABOR PAPER RAN STORY ON DECEMBER 8; DECLARES A. F. L. WILL FIGHT CASE

The charge that the National Labor Relations Board and the C. I. O. are "working together" was made last night by John Ferguson, of Westerly, attorney for the Bradford Dyeing Association's Employees' Federation.

He said he based his charge on the fact that a Detroit labor newspaper carried a story of the decision in the Bradford mills case 2 weeks before the decision was announced officially at Washington.

The newspaper story appeared in the People's Press in its December 11 edition, under the name of William Siroka, New England representative of the Federation of Dyers, Finishers, Bleachers, and Printers of America, and carried a date line "Westerly, R. I., Dec. 8.—" Ferguson declared.

In the story, he said, Siroka wrote he had in his possession "a copy of the National Labor Relations Board decision in the case brought against the Bradford Dye Works here by the Textile Workers' Organizing Committee."

Ferguson said he considered the article as evidence of a definite working agreement between the N. L. R. B. and the C. I. O.

"It shows how closely the board and the C. I. O. are working together," he said, "when a C. I. O. representative in Rhode Island is given a decision 2 weeks before its official release from Washington."

#### EMERGENCY RELIEF AND FEDERAL PUBLIC-BUILDINGS BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679, making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The Clerk read the title of the House joint resolution.

The SPEAKER. The gentleman from Colorado moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679. Pending that, for the information of the House, the Chair thinks it proper to have

read by the Clerk the unanimous-consent agreement under which the bill is being considered.

The Clerk read as follows:

On motion of Mr. WOODRUM, by unanimous consent,  
*Ordered*, That on Tuesday, May 10, 1938, after the recovery bill is reported, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and that general debate be in order and be limited to 10 hours, to be equally divided and controlled by Mr. WOODRUM and Mr. TABER, and that the bill be not considered for amendment under the 5-minute rule until it is made in order by a special rule adopted by the House. (Agreed to May 4, 1938.)

The SPEAKER. The question is on the motion of the gentleman from Colorado [Mr. TAYLOR].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 679, the emergency relief and Federal public-buildings bill, with Mr. WARREN in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 1 hour to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Chairman, I shall consume this time not because of any particular pleasure I shall have in making a speech or hearing the sound of my own voice, but in the hope that I may be able to bring to the Members of the House information relative to this joint resolution and which I think they would want to have before they come to vote upon it. I therefore ask your consideration and cooperation. Ten hours for general debate has been agreed upon and then the bill will be considered under the 5-minute rule. There will be plenty of time for questions, colloquy, debate, and argument; so, in order to try to make a chronological statement to cover the whole measure, I am going to ask the indulgence of the committee to be permitted to speak without interruption for at least a portion of the time. I shall try to save enough time to answer questions at the end of my statement.

Mr. Chairman, at the outset I express my appreciation personally and on behalf of the distinguished chairman of the Committee on Appropriations for the fine cooperation of the members of the Subcommittee on Deficiency Appropriations, and especially our minority brethren. I know, of course, they view the situation with alarm; and I am sure they will in characteristic fashion apprise you of that fact. They have inquired diligently into all of the ramifications of this program, but they have assisted the committee in expediting consideration and we believe you will find in the hearings a comprehensive account of the activities. I pay compliment also to one of the men who works behind the scene—I refer to the clerk of the Committee on Appropriations of the House of Representatives. I have said before, but I repeat now, that I do not know of a man in the public service today who is more conscientious, more efficient, or more industrious. Without his splendid and efficient help the labors of this committee would have been most arduous.

Mr. SIROVICH. What is the name of this clerk?

Mr. WOODRUM. Marcellus Sheild is the name of the clerk. [Applause.]

Mr. Chairman, I do not want to devote a great deal of time endeavoring to justify this program. I could speak, I believe, for hours in justification of it.

I want to say just a few words in a preliminary way, then pass on to what I think will be an explanation of the bill.

On April 14, 1938, the President of the United States delivered a message to Congress on the state of the Union in which he pointed out the present economic plight of the country and the need for further Federal action in the premises. He outlined in that message a program of relief and recovery. This message and the accompanying radio message to the country were received by the people of the Nation with various degrees of approval or disapproval.

There were many who heartily approved the President's suggestions. Before the Committee on Appropriations there came, voluntarily, Mr. William Green, president of the American Federation of Labor, and Mr. John L. Lewis, chairman of the Committee for Industrial Organization, agreeing, certainly in one instance, that this program was needed and was adequate.

About the time of the consideration of this matter there met in the District of Columbia representatives of business and industry. Notwithstanding the fact that upon the rostrum in that meeting there were many great speeches which had for their purpose a disapproval of this program in its various aspects, yet that meeting turned out about like this meeting will turn out today. They did a lot of talking and engaged in a lot of oratory but failed to say anything when they came to finishing up. Strange as it may seem, the United States Chamber of Commerce, representing business and industry, did not dare pass a resolution in their solemn conclave condemning this effort of the President of the United States to further lead the people along the highway of recovery.

In the next few days we are going to hear in this Chamber much oratory. Gentlemen are going to stand with bowed heads at the wailing wall. They are going to view with alarm our situation and call upon Providence to save America; then when the roll is called they will vote for the resolution. [Applause.] I know there are honest, bona fide, legitimate differences of opinion about some of this program, but generally the objections may be cataloged into three or four different classes.

First, There are those who object to this for partisan purposes. Of course, I would not accuse any gentleman on my left of having that motive in mind, but I have noticed, strange as it may seem, during these past days when things have not been so good that some of my friends have been happier than they usually are. I have been wondering if it is not an application of that old adage, "It is an ill wind that does not bring happiness to somebody." I know there is not a gentleman in this Chamber who would want to see America suffer in order that he might gain political advantage; on the other hand, I am compelled to believe that the fact it has happened has at least raised hope in some of the breasts of our distinguished and enthusiastic gentlemen.

Then there are those who conscientiously object to this program because it is going to cost some money and because of the budgetary situation involved. There are those who claim that this is only a temporary expedient, that this program of work relief should not be embarked upon because forsooth we have tried it once before and it did not succeed.

Then there are others who say there has been too much Federal messing in business affairs and if the Government would just get out and Congress quit and go home, and speak a few kind words to business, everything would be all right. But none of these gentlemen go a step farther and tell you what we are going to do with the ten to twelve million men who are unemployed and who are asking what every American citizen ought to have as a right, simply the honest opportunity to make a living for himself and his family; nor do any of them tell you what they are going to do with business and industry who have laid off people because their shelves and warehouses are filled with merchandise for which they have no customers.

I do not want to take a great deal of time here. The question that confronts this Congress today is a very practical one. Shall the Federal Government stand idly and impotently and confess that it can do nothing, confess that the processes of democracy are powerless to meet an economic situation of this kind, while business languishes and millions of American citizens are out of employment? That is the practical question this Congress must meet on this measure.

Shall we do something about it? May I digress for a moment to tell you a true story? Many of the stories that

Congressmen tell are not true stories, but this happens to be a true one.

A few miles from this building, in Walter Reed Hospital, is a young American boy, 22 years of age. For 1 year he has been languishing upon a sickbed. He was in the American Army as a radio operator on a bombing plane which crashed in the mountains of Virginia. Three of his companions lost their lives. He was terribly burned, and for 12 months the best skill, the best attention, and the most loving care that the American people can give to an injured man while performing his duty have been devoted toward restoring him to health and manhood. He is fighting day by day for his life. One of the finest physicians in Walter Reed Hospital is in charge of the case. A number of times it has been necessary to give the boy opiates to ease his pain. A number of times lately it has been necessary to give him a blood transfusion. I may say to my colleague the gentleman from New York [Mr. SROVICH], the eminent physician, that transfusions were given to help him, to boost him up in this struggle to help Nature to reassert herself so that he may improve.

What would you think, if, when gathered around the sickbed of that boy this eminent physician called his consultants in and told them that because of the young man's pain he proposed to give him a hypodermic, and because of his weakened condition he was going to give him a transfusion, and some objection of this kind would be raised? I can fancy some bespectacled, whiskered, theoretical surgeon getting up and saying, "Doctor, I object to giving this boy an opiate because opiates never cured anybody. That does not go to the fundamental cause of his ailment. You have been giving him opiates for 12 months trying to ease his pain."

Suppose another consultant said, "I want to register my protest against this procedure. Who ever heard of a transfusion giving a man a permanent cure? Your medical chart shows you gave him a transfusion last month; so why do it again? There is no sense in that." Assume another consultant would say, "Doctor, I want to protest against this procedure. What this man needs is to cut out the doctors and nurses. Send them all home and get them out of here. He has had too much hospital, he has had too much attention. He needs sunshine and a balanced diet. That would be a good thing for him. He needs to have some kind words spoken into his ears. If you doctors would quit giving him transfusions and hypodermics and make love to him a little bit, he would get well."

I can see this eminent surgeon saying, "Gentleman, it all sounds very fine. Certainly a man ought to have kindness and love and certainly he should have a balanced diet. Certainly he ought to have more vitamin D, and certainly no more of hospitals and nurses than he needs. But gentlemen, you have not yet told me what to do to get him up. He is on his back. My judgment is that we should get him on his feet again, and then we will try to diagnose the organic difficulties, and if we have intelligence enough in the medical profession, try to set him on the high road to recovery."

Mr. Chairman, that is the situation which America faces today. In my judgment, it is beside the point and unconvincing to say that because we had a building and a recovery program a year or two ago and have slipped back a little we should not try it again. If you apply that kind of logic to life I never would have known how to skate on roller skates, because the first time I fell down I would just have stayed in the gutter and would not have tried to get up.

The purpose of this program outlined by the President is to give to builders and industry today just that little impetus that is needed to carry industry forward. What is the situation? There is no use for anybody to try to compare this situation with the past and say we have slipped back to where we were in the beginning. That is nonsense. When President Roosevelt came into the White

House the banks were busted. Nobody in the country had confidence enough to put a dollar in any of them. Nobody had any confidence in business or industry or anything else. The trouble today is not a lack of confidence. Our trouble has been brought on by overconfidence. Let us see if that is an exaggerated statement. Business and industry picked up so that they started running 24 hours a day. They loaded up the plants, they loaded up the shelves, and they loaded up the warehouses. They built more automobiles, made more goods, more wares, and more merchandise than the purchasing power of the American people could absorb. Therefore, this program is for the purpose of starting up again the wheels of industry. If business and industry will cooperate, if they will respond to the wooing of the Federal Government, then there will be no difficulty.

Let me say to you with respect to that manufacturing industry in your district, that textile plant, that cotton plant, that steel factory which has its warehouses filled to overflowing, that railroad which has no freight nor passengers to haul, what they need today is not a reduction in taxes, for that has nothing to do with it; what they need today is not kind words, for that is not the thing; they need customers for their products. They need the public to have purchasing power so people can buy what they have to sell.

Following that one step further. If you take some substantial portion of these 12,000,000 to 14,000,000 unemployed people and enable them to be self-supporting citizens, put them back into the market as purchasers of goods, wares, and merchandise, then the goods will begin to move off the shelves and then employers can begin to call more men back to the factory, the plant, and the workshop. We hope that will work. The best thing we can do is to try it.

The measure we bring you today is one of the Committee on Appropriations of the House of Representatives. It was prepared there, so we will have to take the credit or the blame for whatever is good or bad about it. It was prepared after many conferences both with departmental officials and administrative heads and with the President of the United States. It is not entirely satisfactory to anybody, but it is approved by all of us as the best we can do. It is satisfactory to the President of the United States, who will be called upon to assist to a large degree in administering the program.

I wish to speak briefly about one or two features which differ from the programs we have had in the past. Heretofore, in the relief bills, because of the emergency nature of the operation, it has been necessary to delegate much larger and wider powers to the executive head of the Government than would ordinarily be granted by the legislative body. When you are advancing upon an enemy, and the shot and shell are raining about you, that is no time to sit down and parcel out delegations of power. Someone has to lead. Someone has to have authority. Therefore in past bills we have very often given the very widest latitude and power to the President of the United States, appropriating large sums of money and giving him wide discretion in dispensing them. That feature has been changed in this measure. In it the appropriations are made directly to the spending agencies. Let me say that I do not believe a member of this subcommittee, certainly not of the majority side of the subcommittee, in putting that provision into the bill had the slightest idea or the slightest intention of reflecting in any way whatever upon the splendid and the unassailable manner in which the President of the United States has administered these programs in the days gone by. It has been done well. There has been no scandal about it. It has been open and aboveboard, and it has been in accordance with the wishes of Congress.

In this resolution we appropriate directly to the Works Progress Administration and to the Public Works Administration, and provide that the projects shall be approved by the President, just as we have always provided in the past that they should be approved by him.

The joint resolution has three titles. It is available to the Members and also copies of the committee print of the report.

Title I covers work relief and relief to be administered by the W. P. A., the N. Y. A., the Farm Security Administration, and other agencies. Title II relates to the Public Works Administration and title III is the Federal public-building provision.

There is no provision in the measure for the United States Housing Authority for the reason that that proposal embodied legislative changes in the existing law and was referred to the Committee on Banking and Currency. I do not know at the moment whether that committee has completed its deliberations and is ready to make a report.

The appropriations in the resolution, aside from personnel engaged in administration either directly or incidentally, are estimated to provide employment as follows: Under the Works Progress Administration projects program, an average of 2,800,000 per month for the 7-month period ending January 31, 1939; under the National Youth Administration 275,000 on works projects for the entire fiscal year 1939; under the Federal public buildings program, a total of approximately 60,000, directly and indirectly, for the period of the program; and under the Public Works Administration program, a total of 11,250,000 man-months of direct and indirect employment, or approaching 1,000,000 man-years, for the period of the program. The entire program under these appropriations and the loan funds should furnish, therefore, a total of employment approximating 4,100,000 persons for varying periods. In addition to the appropriations in this joint resolution, the appropriations for the Civilian Conservation Corps, totaling \$278,000,000 for the next fiscal year, will provide employment for over 300,000 persons. Also, the Federal Government has each year a program of general public works carried on under regular appropriations and conducted under regular Federal departments and agencies such as public roads, reclamation projects, parks, rivers and harbors, flood control, and so forth. While the appropriations have not all been determined for the next fiscal year for these purposes, a general estimate of the status of these funds indicates that the total of the average number of men to be employed directly and indirectly on account of projects for the fiscal year 1939 will be over 500,000. The shipbuilding program of the United States Navy and the merchant-marine program of the United States Maritime Commission will also contribute materially during the coming fiscal year to employment.

This appears to me as an adequate participation by the Federal Government in this proposition of relieving unemployment.

Under the Works Progress Administration we provide for useful Federal and non-Federal public projects, and let me make this statement: These projects under W. P. A. are selected by local communities, not by officials of the Federal Government in Washington. The applications are made by local communities to the Federal Government in Washington through their State agencies, and in each instance the project is approved by the local community. Not only this but the people upon relief in the local community, in your city or in your county, who get this work relief, are not selected by officials in Washington, they are selected by your constituents, by agencies in your own community. This is done for the purpose of preserving, as far as possible, the right of each locality not only to have the type of project it wishes to have but to see that the people who are worthy and deserving are given this work-relief status.

The amount recommended for the Works Progress Administration is \$1,250,000,000, the amount recommended by the President for that Administration for work relief and relief on a 7-month basis for the period to end January 31, 1939. The amount thus far this fiscal year for the Works Progress Administration and the National Youth Administration is \$1,500,000,000 for the full fiscal year.

The need for continuing these programs on at least the current basis is apparent. Since the fall of 1937 industrial production has fallen off by 32 percent. The national

income has declined from an annual rate of \$68,000,000,000 to a rate of about \$56,000,000,000. Since September 1937 more than 3,000,000 workers have lost their jobs in private industry. Employment on the Works Progress Administration program has been expanded to meet the need arising from this severe decline, increasing from 1,400,000 workers in September to approximately 2,600,000 workers at the present time. At the same time the number of families and unattached persons provided for by State and local direct relief has increased from approximately 1,300,000 in October to about 2,000,000 in March.

While the rate of decline in private employment has slowed down, and the number of additional workers who lost their jobs in March was relatively small, the need for relief of unemployed workers continues unabated, for two reasons; first a number of unemployed workers are able to exist on their own resources for a short period after they lose their jobs. Thus many workers thrown out of employment during the month of February, for example, are not forced to apply for relief before April, May, or June. The second factor in this situation is the unemployment compensation received by many workers during the first weeks of their unemployment, which automatically prevents the employment of those workers on the works program. As soon as these compensation payments are exhausted, many of these workers face destitution and must turn to the relief offices for assistance.

Accordingly, while some seasonal improvement in the employment situation may occur during the next 2 or 3 months, it appears that any such improvement will be offset by the accumulated need of workers who have not yet been taken onto these programs.

At the present time approximately 2,600,000 workers are employed on projects of the Works Progress Administration, and about 130,000 are employed in the continental United States on projects of other Federal agencies financed with funds in the current Emergency Relief Appropriations Act. The balances of funds now available for these programs will make it possible to maintain employment at about this level during the remaining months of the fiscal year 1938. The appropriation of \$1,250,000,000 for 7 months will permit a maximum average employment of approximately 2,800,000 workers per month between July 1, 1938, and February 1, 1939.

It is not practical to attempt to forecast the total amount needed to provide relief employment on these programs for the entire fiscal year. On the basis of the evidence available at the present time, the committee did not feel justified in recommending an appropriation of less than \$1,250,000,000 for these purposes for the first 7 months of the fiscal year 1939. On the other hand, if a rapid improvement in business conditions and private employment should occur between now and February 1, 1939, the Works Progress Administration program will be curtailed accordingly and a part of this appropriation would remain available for use after that date. In consideration of the size of the relief problem and the fact that it is subject to rapid and extensive changes, it is the committee's recommendation that the decision as to the extent of the Works Progress Administration program during the last 5 months of the fiscal year 1939 be deferred until Congress reconvenes in January, when action can be predicated on the economic and employment conditions which prevail at that time.

I would like to refer to the National Youth Administration, the appropriations for which during the current and preceding fiscal years have been included in the amounts for the W. P. A. The joint resolution contains an appropriation of \$75,000,000 for the N. Y. A. For the present fiscal year the N. Y. A. has received a total of \$52,500,000 of Works Progress Administration funds and may receive additional money from present unallocated funds. Currently 323,000 high-school and college youths are receiving National Youth Administration aid, and 153,000 youths out of school are employed on the training and other work projects of that Administration.

Under the recommended appropriation of \$75,000,000, it is contemplated that the student-aid program in the fiscal year 1939 will be continued at about the same rate as in the fiscal year 1938, and that the National Youth Administration work program will be expanded to provide for a greater number of youths out of school. This appropriation contemplates that approximately 600,000 youths will be provided for by the National Youth Administration on both programs during the fiscal year 1939.

The Farm Security Administration is another agency to which I should like to direct attention. Its funds have heretofore come by way of allocation from emergency money. We appropriate directly to the Secretary of Agriculture in this resolution the sum of \$175,000,000, plus the reappropriation of the balances remaining unobligated on June 30, 1938, and estimated at \$3,000,000. This sum is made available for administrative expenses, loans, grants, and rural rehabilitation of needy persons in continuation of the same type of program carried on by the Secretary of Agriculture under allocations received from the Emergency Relief Appropriation Act for the current fiscal year.

The amount available for the fiscal year 1938, together with a comparison of the amount recommended for the next fiscal year, follows:

	1938	1939
Loans.....	\$78,945,000	\$120,000,000
Grants.....	22,900,000	30,000,000
Administration, services in composition of farmers' debts, making and collecting loans, granting relief and furnishing assistance.....	21,291,000	25,000,000
Subtotal.....	123,136,000	175,000,000
Completion of Resettlement Administration construction projects and land-utilization projects.....	42,964,000	-----
Total.....	166,100,000	175,000,000

I should like to direct your attention to the very comprehensive statement made by Secretary of Agriculture Wallace, and printed commencing on page 192 of the hearings. He sets forth very clearly what has been accomplished in the past, what is now being done, and why there should be an expansion of this type of relief. It is an exceedingly interesting and convincing statement. The resolution as reported provides for an increase of over \$50,000,000 for the next fiscal year as compared to the current year for the comparable relief activities.

Having in mind definite information that there are 360,000 farm families known by supervisors of the Farm Security Administration to be in need of loans or grants and having in mind the economic conditions in rural areas already existing and further aggravated by the loss of purchasing power in industrial areas, the increase recommended to be appropriated to the Secretary of Agriculture for the Farm Security Administration by way of loans and grants is necessary to provide the measure of relief in those areas that the present situation requires.

The Puerto Rico Reconstruction Administration is another agency which receives a direct appropriation instead of being financed, as heretofore, from allocated funds. The amount carried in this measure is \$6,000,000, plus an unexpended balance estimated at \$2,100,000. The amount allocated for the present fiscal year is \$11,000,000, under which expenditures for the year are restricted to \$8,317,000. The unemployment and economic situation in Puerto Rico is one of the grave problems of our Government. The island is greatly overpopulated, a census in 1935 showing 1,725,000 inhabitants in an area of 3,400 square miles, a population density of more than 500 per square mile. Moreover, the arable area is 1,225,000 acres, which represents about seven-tenths of an

arable acre per person. The population is increasing about 40,000 per year, or at the rate of 2 percent. Other factors, such as the general economic condition, hurricanes, and the reduction of the sugar quota, have contributed largely to the unemployment and distress. The number of unemployed in need of relief is estimated at 150,000. The Administration is employing approximately 17 percent of those who are eligible for relief, but at the conclusion of the sugar-grinding season—a month or so—some 65,000 additional cane workers will be out of employment until the beginning of the next grinding season in January 1939.

I want to comment briefly at this time upon another feature that is new in this legislation, and that is with respect to the administrative expenses of the agencies which do work for the relief program and to which funds have heretofore been allocated. These administrative expenses are exclusive of any funds that may be allocated to the several departments and other agencies in connection with allocations to them of funds for the operation of projects.

The agencies performing general administrative duties in connection with the appropriations in title I, not connected with project operation, and the amounts are as follows:

Employees' Compensation Commission, administration and payment of compensation benefits to injured workers.....	\$3,500,000
Treasury Department:	
Procurement Division, for administrative expenses in the centralized purchase of supplies, materials, and equipment for all agencies operating programs under the title.....	5,500,000
Division of Disbursement, disbursing appropriations under the title.....	3,500,000
Office of the Treasurer, clearing checks, etc.....	750,000
Secret Service Division, investigation of check forgeries, etc.....	300,000
Office of the Commissioner of Accounts and Deposits, and Division of Bookkeeping and Warrants, centralized administrative accounting (liquidation).....	2,000,000
Department of Commerce, Bureau of Air Commerce, technical advice and supervision for airport projects under Works Progress Administration program.....	325,000
General Accounting Office, auditing and accounting.....	4,180,000
U. S. Employment Service, reemployment service.....	1,500,000
National Emergency Council, works program coordination.....	250,000

These agencies have heretofore been allocated funds out of relief appropriations for carrying on their activities without any inquiry or control by Congress over the amount or the extent of their activities.

This time the committee called them in and had what we thought were patient and comprehensive hearings with respect to their expenses, and as a result the Budget estimate of \$50,000,000 for administrative expenses for these agencies was cut to \$29,425,000, or a decrease of \$20,575,000.

May I now speak for a moment about the total amount involved in this bill? The day after the President's message was read to the Congress I happened to be in the capital city of my home State and I was somewhat shocked to read in boxed headlines plastered across the front page of one of the leading newspapers of the South this statement: "The President asks \$7,000,000,000 program of Congress."

The program has been referred to all the way from \$7,000,000,000 down. The figure it has now simmered to in the newspapers, usually, is a little less than \$5,000,000,000. Let us see what it really is. The direct appropriations in this bill out of the Public Treasury for W. P. A., P. W. A., the National Youth Administration, the Farm Security Administration, and all other purposes, amount to \$2,519,425,000.

I am going to place in the Record at this point a table which shows the amount of the direct appropriations in the joint resolution compared with the amount of the Budget estimates the committee considered:

Agency	Budget estimates, President's message of Apr. 14, 1938, and otherwise <sup>1</sup>	Amount recommended in the joint resolution	Increase (+) or decrease (—), joint resolution compared with Budget estimates
<b>TITLE I. WORK RELIEF AND RELIEF</b>			
Works Progress Administration, administration, work relief, and relief (7 months' basis).....	\$1,250,000,000	\$1,250,000,000	
National Youth Administration, administration, work relief, and relief.....	75,000,000	75,000,000	
Farm Security Administration, administration, loans, relief, and rural rehabilitation.....	175,000,000	175,000,000	
Subtotal.....	1,500,000,000	1,500,000,000	
Other agencies: <sup>2</sup>			
Puerto Rico Reconstruction Administration: Administration, loans, rural rehabilitation, and Federal and non-Federal projects (\$11,000,000).....		6,000,000	
Employees' Compensation Commission: Administration and payment of compensation to injured persons (\$7,500,000).....		3,500,000	
Treasury Department: Administrative expenses (\$21,143,679).....		12,050,000	
Bureau of Air Commerce, Department of Commerce: Administrative expenses (\$354,000).....		325,000	
U. S. Employment Service: Administrative expenses (\$6,307,000).....	50,000,000	1,500,000	
General Accounting Office: Administrative expenses (\$4,183,605).....		4,180,000	
National Emergency Council: Administrative expenses (\$1,000,000).....		250,000	
National Resources Committee: Administrative expenses (\$825,000).....		250,000	
Prison Industries Organization: Administrative expenses (\$190,000).....		120,000	
Department of Justice: Administrative expenses (\$1,250,000).....		1,250,000	
Total, other agencies (\$53,682,000).....	50,000,000	29,425,000	-\$20,575,000
Total, title I.....	1,550,000,000	1,529,425,000	-20,575,000
<b>TITLE II. PUBLIC WORKS</b>			
Public Works Administration—loans and grants for non-Federal projects, and for financing Federal projects.....	1,000,000,000	965,000,000	-35,000,000
<b>TITLE III. FEDERAL PUBLIC BUILDINGS</b>			
Post office and other Federal buildings to be constructed by the Procurement Division, Treasury Department, expansion of 3-year program.....	25,000,000	25,000,000	
Total, titles I, II, and III.....	2,575,000,000	2,519,425,000	-55,575,000

<sup>1</sup> The sum of \$1,000,000,000 was included as a Budget estimate for relief and work relief in the annual Budget for the fiscal year 1939, submitted in January 1938. The amounts recommended in the President's message of Apr. 14, 1938, are inclusive of this \$1,000,000,000 and when considered in connection with the total of Budget estimates at this session care should be exercised not to include it in both instances. In addition to the amounts in the message and the regular Budget, considered in this joint resolution, the sum of \$50,000,000 for the purposes indicated in the foregoing table and the use of unexpended balances as indicated by note (2) were submitted as Budget estimates in H. Doc. No. 626.

<sup>2</sup> Plus unexpended balances of allotments under the Emergency Relief Appropriation Act of 1937 which may remain unobligated on June 30, 1938, as indicated.

<sup>3</sup> Figures in italics represent estimates of agencies prior to President's approval of \$50,000,000 estimate for all in H. Doc. 626.

<sup>4</sup> Plus not to exceed \$450,000,000 as a revolving fund from the sale of securities acquired with funds made available by this appropriation or with the proceeds of such securities for the making of further loans.

<sup>5</sup> Plus not to exceed \$500,000,000 for use as indicated in note (4).

<sup>6</sup> Plus contract authorization of \$35,000,000.

<sup>7</sup> Plus unexpended balances as indicated by note (2) and use of securities as indicated by note (3).

<sup>8</sup> Plus unexpended balances as indicated by note (2), use of securities as indicated by note (3), and contract authorization as indicated by note (5).

If the Public Works Administration never collects a penny of the money that it loans on projects—and so far it has had practically no losses—if it never collects a penny of the money it loans on Public Works projects, the total ultimate amount that the Federal Treasury could possibly be out under the measure brought in here today is \$2,519,425,000. Let us look one step further. Of this sum, \$1,000,000,000 was included in the regular Budget, which was submitted to Congress last January, because that was the billion dollars that was put in at that time for relief. So that this recovery measure carries actually an increase over our original Budget of \$1,519,425,000, and part of this is for loans. I want to be fair and frank about this. We appropriate in this bill the unexpended balances some of these agencies expect to have on June 30, 1938. We have always reappropriated the unexpended balances of the emergency relief funds. It is estimated by the W. P. A. that they will have \$13,000,000 unexpended balance. They had an unexpended balance to start with, and they have to have one at the end. They cannot so regulate their program as to spend every penny of their money. Each agency must have a cushion. So we do reappropriate some of the unexpended balances but the amount of them is not significant. Perhaps I should state here also that we permit the use of proceeds to be received from the sale of securities taken by the P. W. A., up to \$500,000,000, for the making of loans, and based upon the good collection record of P. W. A. this money will be returned.

It is only fair to say that the press usually in figuring a little less than \$5,000,000,000 that the recovery program will cost the people include a billion and a half which the Re-

construction Finance Corporation was authorized recently to loan to industries. Everybody knows that the Reconstruction Finance Corporation has almost a perfect record on these loans, and they will not cost the people of the country a penny unless the whole economic structure falls, and then it does not make any difference whether it is \$5,000,000,000 or \$50,000,000,000. The Reconstruction Finance Corporation makes loans and it collects its loans. So then, figuring a total loss of the R. F. C. loans, which runs to the figure you usually see in the press, we have a total of \$4,519,425,000, of which over \$2,000,000,000 is for loans.

Mr. JOHNSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I shall yield in just a little while.

Mr. JOHNSON of Minnesota. I was going to ask the gentleman about the Public Works \$450,000,000.

Mr. WOODRUM. Under the Public Works Administration, title II, we appropriate out of the Treasury, \$965,000,000, compared to a request of \$1,000,000,000 by the President. We deducted \$35,000,000 and put it in title III, which is the Federal public-buildings program. I shall discuss that in just a minute. The P. W. A. program is designed to furnish direct and indirect employment by Public Works projects.

Public Works Administration has on hand now 2,714 approved non-Federal projects, ready to go—projects from practically every district that is represented in this body, made up of school houses, county facilities, recreational centers, bridges, and other types of useful public improvements, which are applying to the P. W. A. for grants or loans. In addition to the direct appropriation, authority is given for

the use of not to exceed \$500,000,000, as contrasted to a recommendation for \$450,000,000, from money to be realized from the sale of securities acquired with this appropriation or out of the proceeds of such securities for the making of loans under the title.

The sum of \$965,000,000 is available for loans, grants, or loans and grants for non-Federal public projects and to the extent of not to exceed \$100,000,000 for Federal projects, to be expended by the Administrator of the Public Works Administration with the approval of the President. The limit upon the amount to be granted is \$750,000,000, with no specific limit on the amount of loans except the availability in the funds. The \$965,000,000 of direct appropriation, with \$500,000,000 of revolving fund from securities, makes a possible total of \$1,465,000,000, of which not more than \$750,000,000 can be used for grants. In addition to the total amount, there will be applicable to this new non-Federal program, the use of assets, estimated at maximum realization at \$100,000,000 when they are sold, from which \$51,000,000 might be used for grants and the remainder for loans and administrative expenses.

The program outlined by the Administrator would consist of some 7,000 to 7,500 projects of an average cost of \$240,000 on the basis of \$750,000,000 in grants.

We also give P. W. A. new authority to meet the needs of those localities where, because of constitutional limitations, they are unable to increase their local indebtedness. It will be recalled that in the President's message he suggested that long-time loans without interest should be made to those localities. The committee, after going into the matter very carefully, decided to somewhat restrict that suggestion. We did not like the idea of setting the precedent of the Government lending money to anybody without interest. We could foresee that the other lending agencies of the Government that are loaning money to groups of our citizens and charging interest would immediately be importuned and the Congress would be petitioned to forego the collection of interest in those cases. The provisions of the joint resolution do not provide for this type of loans. In the place of that suggestion, the committee has inserted subsection (e) of section 201, which will make it possible, where States or other public agencies, due to constitutional limitations, are unable to participate in the loan and grant benefits, for the Administrator, with the approval of the President, to advance them moneys for projects upon their agreement to pay back in annual installments, over a period not to exceed 25 years, at least 55 percent of the amount so advanced with interest for the period of amortization. In order to carry out this proposal, the Federal Government could acquire land for the construction of such a project and then either construct the project itself and lease the completed project to the public agency or advance funds to the public agency for such construction. In either case the Federal Government would retain title to the project until the public agency had paid its share of the cost with amortized interest.

This would permit a locality to take advantage of the 45-percent grant and the long-time payment on a basis that would allow it to get a loan notwithstanding the constitutional inhibition. At the same time the Federal Government would be protected by controlling the terms of the lease and would hold the property until the locality should meet its obligations in full.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield for a very brief question?

Mr. WOODRUM. I yield.

Mr. PETTENGILL. Would that property be subject to local taxation?

Mr. WOODRUM. I cannot answer definitely; but I imagine not, because title to the property would remain in the Federal Government until it was paid for.

Mr. SIROVICH. What is the interest rate?

Mr. WOODRUM. The rate of interest on an amortized loan would probably be comparable to that charged in the ordinary case with due allowance for the grant. However, that is up to the Administrator.

Title III of the bill is the Federal public-building section. In the fiscal years 1935, 1936, and 1937, we appropriated, respectively, \$65,000,000, \$60,000,000, and \$60,000,000 for Federal buildings outside of the District of Columbia, a total of \$185,000,000. In the last regular session we decided to restrict that program and adopted a program of \$70,000,000 spread over 3 years which would be sufficient to take care of certain major projects and provide one building project for each congressional district having an eligible project. In this measure we enlarge that 3-year program by adding \$60,000,000 to the \$70,000,000, making it \$130,000,000 for the 3 years, which will be sufficient, we are told, to include some major projects and provide an additional building for each congressional district where there is an eligible project. There has been filed with the committee and printed in the hearings a list of the eligible projects under this title. We feel that if you accept as a premise the fact it is right and logical to have a Federal building program in a situation of this kind, then we certainly can justify this sort of expenditure because it spreads the money all over the country. Under the present method of designing public buildings, there are no more ornamental structures at country crossroads. These buildings are to be built where they are needed and where they can be justified, and where they are logical projects. If you are going to have a building program which can be justified, certainly it is one which fills the crying need of the Federal Government for housing facilities.

The Director of Procurement advised the committee that a great many of these projects could be gotten under way within 6 months and that the expenditure of the funds at the site and those indirectly expended in the fabrication and production of materials and otherwise would furnish employment for approximately 60,000 men.

In providing this expansion, the \$35,000,000 additional has been deducted from the \$1,000,000,000 estimated for loans and grants for non-Federal Public Works Administration projects, the committee being of the opinion that the expenditure of this sum could well be made on Federal property where the Government would get the entire advantage of the expenditure and that the projects would furnish as much direct and indirect employment as the expenditure of a like amount on non-Federal Public Works Administration projects.

Mr. Chairman, I could ramble on for a great length of time, but I believe I will conclude my remarks at this time and submit to questions from members of the Committee if you have questions that you wish to ask me. [Applause.]

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield; but I ask the Members to be brief. I will appreciate that very much.

Mr. BEITER. There are several matters I would like to have cleared up. First, in reference to W. P. A. the gentleman stated that the local communities would state who shall be eligible for employment on such projects. That is not quite the fact because the regulations are established by the State administrator. Having in mind a concrete example, if a man and woman, for instance, have a budget requirement of \$50 a month, under W. P. A. he would earn \$60 and they declare him ineligible because his requirements are not sufficient and he would not be permitted to work on W. P. A. projects. That regulation would have to be amended, and that, of course, is not a matter for legislation. I want to clarify it in the gentleman's mind.

In connection with the Public Works Administration I am wondering whether or not the Administrator will have the authority to purchase and sell the securities that may be used in the revolving fund, or whether they will have to sell them through Jesse Jones? If they are sold through Jesse Jones there just will not be a revolving fund, and there will not be any sale or purchase of securities.

Mr. WOODRUM. The Administrator has power under the measure to sell securities either through the R. F. C. or directly to the public.

Mr. BEITER. I am glad to hear that they will not have to operate through Jesse Jones. The gentleman stated that

Jesse Jones has not lost any money. The reason Jesse Jones has not lost any money is that he has not lent any money; and he will not lose any as long as he does not lend any.

What is the total amount of money that has been made available for the Public Works Administration? The gentleman has stated \$965,000,000 for 2,714 projects; and of that \$965,000,000, \$750,000,000 is for loans. Is that correct?

Mr. WOODRUM. Not over \$750,000,000 for grants and any of the appropriation can be used for loans. Then in addition there is the revolving fund of not over \$500,000,000 to become available as securities are sold.

Mr. BEITER. For loans?

Mr. WOODRUM. Yes.

Mr. BEITER. That will leave a very small amount for new projects.

Mr. WOODRUM. There is for loans, \$500,000,000 in the revolving fund and \$215,000,000 over and above the amount available for grants in the appropriation.

Mr. BEITER. I notice, too, in the bill that the new projects will have to be submitted by August 31, 1938. It would be just impossible for a community to submit a new project in that time for the reason that in a great many States they are under the legal requirement to advertise and ask for bids over a certain number of days, and then wait a certain number of days after the bids are received; so it would be just impossible for them to submit their projects by August 31 of this year.

I am wondering if the committee would object to that time being extended to October 31.

Mr. WOODRUM. The time has already been changed by committee amendment to October 1.

Mr. BEITER. I am glad to hear that.

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. MAHON of Texas. If we assume that all of the 2,700 approved P. W. A. projects receive an allotment, how much money will be left over to be applied to new projects that have not yet been filed and approved by the P. W. A.?

Mr. WOODRUM. The number of projects on the existing P. W. A. list amounts to \$440,000,000 for grants. We provide in here \$750,000,000 for grants.

Mr. MAHON of Texas. There would be \$300,000,000 left.

Mr. BOILEAU. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Is there any priority given to any particular class of P. W. A. projects?

Mr. WOODRUM. There is no priority in the bill, but the gentleman will find in the hearings that we have a very specific commitment from the Public Works Administration that this list which they filed will be their No. 1 list for work on new projects to start as soon as possible.

Mr. BOILEAU. After that, is there any priority for schools or such as that?

Mr. WOODRUM. There is no priority provided here.

Mr. KRAMER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. KRAMER. Is there any provision for sectional allocation? Our small cities out on the Pacific coast are farther away from headquarters than some of these eastern cities and we have not the facilities for getting up the engineering reports, application forms, and so forth. Are you going to give all of this to eastern cities?

Mr. WOODRUM. The gentleman will find in the list furnished by the Public Works Administration that California has been generous in its requests for projects.

Mr. KRAMER. I know we are generous in our requests, but we do not get anywhere.

Mr. WOODRUM. I think the gentleman will get them. At least I hope he will.

Mr. EDMISTON. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from West Virginia.

Mr. EDMISTON. My State has a constitutional provision prohibiting it from borrowing. I did not exactly understand the gentleman's explanation of the 25-year lease program.

Mr. WOODRUM. If the gentleman has a million-dollar project which he wants and his State has constitutional limitations under which it cannot borrow, they may get the million dollars from the Public Works Administration. The Public Works Administration would acquire land for the construction of such project, and then either construct the project itself or advance the money to the State for such construction. The project would be leased to the State on a basis that would pay back to the Federal Government not less than 55 percent of the cost, including the cost of the land, with interest over the 25-year period. In either case the Federal Government would retain title to the project until the State had paid its share of the cost with interest.

Mr. BEITER. At that point, what will be the rate of interest? I would like to see a provision not to exceed 4 percent.

Mr. WOODRUM. It will not be over 4 percent. It may be less than that in some instances.

Mr. PARSONS. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. PARSONS. I notice no further applications will be accepted after August 31, 1938. The P. W. A. will be permitted to accept applications between the passage of the act and that date?

Mr. WOODRUM. Yes, and they may consider the applications after that date. And, by the way, the date has been changed by committee amendment to October 1.

Mr. PARSONS. Section 10, page 9, has this language with reference to employment on the W. P. A.:

In the employment of persons on projects under the appropriations in this title applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

Will that permit the W. P. A. to certify its own people outside of the relief certification agencies in the various counties of the State?

Mr. WOODRUM. That is existing law. It is the same provision that we have in existing law.

Mr. PARSONS. There is nothing in the bill to authorize or direct the W. P. A. to make its own certifications of relief plans?

Mr. WOODRUM. They can do it by changing their regulations. There is no mandatory provision in the bill requiring them to do it.

Mr. THOMASON of Texas. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. THOMASON of Texas. Before asking the gentleman from Virginia a short question, I hope the gentleman did not agree with the statement made by the gentleman from New York [Mr. BEITER] that Mr. Jesse Jones had not made any loans.

Mr. WOODRUM. That was the gentleman's statement, not mine.

Mr. THOMASON of Texas. As I view it, he has lent a good many million dollars upon sound security.

Mr. BEITER. To the railroads mostly, not to small business.

Mr. THOMASON of Texas. No; I take issue with the gentleman on that question. Now, I want to ask the gentleman from Virginia a question.

What provision is made in the bill for needed Army housing?

Mr. WOODRUM. The measure provides that not to exceed \$100,000,000 of P. W. A. funds may be used for certain specified classes of Federal projects to be approved by the President.

Mr. THOMASON of Texas. I recall that recently the Congress authorized, as I remember it, about \$23,000,000 for Army housing with priorities established. Does not the

gentleman think that legislation ought to be carried into effect in view of this building program, when there is a great emergency need all over the country for Army housing?

Mr. WOODRUM. I agree with the gentleman, and that is the reason the provision appears in the bill to require the use of not more than a certain amount for good Federal projects.

Mr. THOMASON of Texas. In whose discretion will it be whether or not any part of that \$100,000,000 shall be allocated to Army housing or earmarked, or whatever you want to call it?

Mr. WOODRUM. The Public Works Administration, with the approval of the President.

Mr. THOMASON of Texas. That will be up to Secretary Ickes under the President.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. GARRETT. Under the provisions of this bill will P. W. A. projects which have been approved have priority over any of those to be filed?

Mr. WOODRUM. We are told by the P. W. A. that they will.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. I was about to ask the gentleman the same question that was propounded by the gentleman from Texas in regard to heavy construction at Army instrumentalities. Who did I understand the gentleman to say has the decision concerning which Army instrumentalities, if any, shall be selected?

Mr. WOODRUM. The gentleman will find in subsection (c) on page 18 a provision that "not to exceed \$100,000,000 shall be allotted to Federal agencies for Federal construction."

The procedure would be that the agency, in the gentleman's case, the War Department, would apply to the Public Works Administration for the erection of a barracks at such and such a post. If it has been authorized by Congress, it is eligible for consideration, and the Public Works Administration, taking into consideration the employment it will afford and the expedition with which the project may be gotten under way, and other pertinent factors, will have the right to consider that as an eligible project. However, it has to be approved by the President.

Mr. LEWIS of Colorado. I may say to the gentleman that upon inquiry I have been advised that the War Department is prepared to go ahead immediately, because they have their plans and specifications already drawn. I believe there is no other feature of this program which could be started more expeditiously.

Mr. WOODRUM. There are about \$17,000,000 or \$18,000,000 of their projects in continental United States that have been authorized by law.

Mr. LEWIS of Colorado. Furthermore, under the Wilcox bill there have been a number of authorizations for construction at Air Corps stations.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Nebraska.

Mr. STEFAN. On page 4 of the report there is an item of \$100,000,000 for roads. That is the appropriation we made for 1939 in the agricultural appropriation bill?

Mr. WOODRUM. The gentleman is correct.

Mr. STEFAN. This is not in addition to what else there will be in this appropriation for highways? There is no specific amount earmarked for highways in this bill?

Mr. WOODRUM. The W. P. A. is authorized to expend funds for road work in the use of relief labor. The \$100,000,000 does not in any way have anything to do with this expenditure under W. P. A.

Mr. STEFAN. No. That is an item I want to clear up. Throughout the bill there is no specific amount for farm-to-market roads or secondary roads, which the President stated at one time provided more employment than any other road work.

Mr. WOODRUM. There is no special amount earmarked, but the gentleman will find in lines 18 and 19, page 2, under the category of projects, of which highways, roads, and streets are a part, that \$425,000,000 may be used, and the program of the W. P. A. has always included a very large amount for this type of construction.

Mr. STEFAN. The gentleman would assume, then, there would be about \$425,000,000 that could be used for farm-to-market roads or any other kind of highways?

Mr. WOODRUM. For all of that type of projects. There are a number of other categories of projects in that provision.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SIROVICH (reading):

Without warning orders have reached sponsors that 24 W. P. A. projects in New York City will be discontinued and the workers reclassified. This move is based upon the new ceiling that man plus material cost per individual shall not exceed \$1,000 per year, instead of \$1,240 which they have received in the past, cutting the purchasing and consuming power of all these workers. This order will be completed April 30, 1938.

I may say to the distinguished member of the Committee on Appropriations that thousands of telegrams have come to all the Members of the New York City delegation and committees have visited us in an effort to change that situation, because it is ruining the W. P. A. projects in New York. Would the gentleman and his committee be willing to approve an amendment which we will offer on Thursday to discontinue this tragedy?

Mr. WOODRUM. That is entirely a matter of administrative control and does not figure in the bill. As the gentleman can understand, it would be impossible to write rules and regulations for W. P. A. employment into the bill.

Mr. SIROVICH. Does the gentleman believe it is fair?

Mr. WOODRUM. I do not know the facts. I know the gentleman and his colleagues have been very active in trying to get this matter adjusted, and I hope the W. P. A. will be able to straighten the matter out.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I believe the gentleman may have stated this, and, if so, I wish he would repeat it. What is the total appropriation for the entire program?

Mr. WOODRUM. In this bill?

Mr. HEALEY. Yes; in this bill, for the entire program.

Mr. WOODRUM. The direct appropriation total is \$2,519,425,000, plus a small amount of unexpended balances. Then, there is the \$500,000,000 revolving fund in the P. W. A. to be made up of proceeds from sale of securities and to be used for loans. The United States Housing Authority, if and when it comes into the program, would have an increase of \$300,000,000 in the amount of federally guaranteed bonds it could issue.

Mr. HEALEY. Has the gentleman the total of all that?

Mr. WOODRUM. That is the total of it.

Mr. HEALEY. The gentleman has given the items but not the total.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Florida.

Mr. GREEN. The P. W. A. provision under this bill is dissimilar to existing law. Is it as liberal toward the local communities as the existing law?

Mr. WOODRUM. Very much more liberal. It takes care of those local communities that cannot borrow because of constitutional limitations. It provides for new projects you cannot now apply for. It provides money for new loans and grants.

Mr. GREEN. It is 3 percent interest only.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Ohio.

Mr. HARLAN. As I understand the bill, the provision that the gentleman was referring to is at the bottom of page 19, and the gentleman from Virginia, who now has the floor,

said that was a rental provision. I note that at the end of that clause there is the statement that "at least 55 percent of the amount so advanced with interest thereon for the period of amortization." Is there not a question there as to whether that could be construed as a rental? If there is a definite obligation to amortize, would there not be a conflict?

Mr. WOODRUM. If the gentleman will refer to section 201 on page 18, lines 10, 11, and 12, under subsection 3, "the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies," and this, in connection with the language to which the gentleman has referred at the bottom of page 19, I believe, covers the situation.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. HAINES. Am I correct in assuming that the same method of making application will obtain as has obtained in the past, and your application will be made to the Regional Director of P. W. A.?

Mr. WOODRUM. The gentleman is exactly correct.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. As I understand, there is a definite limitation upon administrative expenses placed in this bill in connection with the Public Works Administration. Does that apply to Works Progress Administration as well?

Mr. WOODRUM. A definite limitation of 5 percent on W. P. A., and we fix a money limitation on P. W. A. in this measure.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. IZAC. As the gentleman knows, there are 2,740 projects that have not been completed, although they have been approved by P. W. A. Suppose those communities went ahead and started the work, is it still possible for them to get the 45-percent grant?

Mr. WOODRUM. It is still possible for them to do that on the uncompleted portion subject to P. W. A. requirements.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. BOILEAU. In the agricultural sections of the country the finest projects are these marl and lime projects referred to at the top of page 3, under W. P. A., as—

Projects for the production of materials for fertilizing soil for distribution to needy farmers under such conditions as may be determined by the sponsors of such projects under provisions of State law.

Is it the gentleman's understanding that that language is broad enough to include these lime and marl projects that have been carried on quite extensively throughout the country in the agricultural areas?

Mr. WOODRUM. It is, but the word "needy" is in there.

Mr. BOILEAU. I noticed that.

Mr. WOODRUM. The committee thought it ought to restrict the projects to farmers in need.

Mr. BOILEAU. Does not the gentleman believe that might destroy an entire project? For instance, if you have a group of 100 farmers that need this lime for their soil and only 25 of them are what might be classified as needy, that might destroy the whole project, and does not the gentleman believe in view of the soil conservation program that has been carried on, so long as these farmers pay the cost of the machinery that is involved and haul the lime themselves, this word "needy" ought to be stricken out so as to make it available in a larger area and make it actually more efficient?

Mr. WOODRUM. That argument was presented to the committee and they considered it very carefully. They felt the program ought to be restricted to farmers in need.

Mr. BOILEAU. I hope the gentleman will reconsider that decision for the reason that we might not be able to carry on such a project in a community that needs it very badly

because only a small percentage of the farmers might be in need.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. SAUTHOFF. I notice at the top of page 6 of the report the program is estimated on the basis of a 7 months' period ending at the end of January 1939.

Mr. WOODRUM. That is W. P. A. only.

Mr. SAUTHOFF. The difficulty in my State is that February is our coldest and hardest month.

Mr. WOODRUM. Of course, the gentleman understands that the reason for projecting it only 7 months is with the thought that when Congress reassembles in January it will then be able to have a very much better perspective as to whether the program should be restricted or enlarged according to the economic conditions at that time.

Mr. SAUTHOFF. I appreciate that, but usually it means they get laid off for about 2 or 3 weeks.

Mr. WOODRUM. I think the Works Progress Administration will take into account the fact that January and February are heavy months and so adjust their programs in the light months to be able to meet that situation.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. As I understood from the long and well-told and well-emphasized story at the beginning of the gentleman's remarks about the necessity for hypodermic injections, the gentleman really thinks that this spending program is only a shot in the arm and will not have any very lasting effect on the general prosperity of the country; is that true?

Mr. WOODRUM. I think if this program accomplishes what it is claimed it will accomplish and start the spiral on an upward trend, it will have accomplished its purpose. The gentleman can call it a transfusion, a shot in the arm, a stab in the back, or a kick in the pants, but if it starts things going again, it will be worth what it will cost.

Mr. SNELL. Right there, we have had the experience. Originally the first one of these spending programs was an experiment and no one knew what would be the outcome.

Mr. WOODRUM. Does the gentleman say that that did not help anything?

Mr. SNELL. I think, as a general proposition, that we are just as bad off today as when we started spending the money. Let me ask the gentleman this question.

Mr. WOODRUM. I thought I had the floor, but go ahead.

Mr. SNELL. Very well, take the floor and keep it. I want to ask a question, but the gentleman insists upon asking me one before I get through with it.

Mr. WOODRUM. I shall be good. Go ahead.

Mr. SNELL. That is all I wanted to say. I said the original proposition of spending the \$5,000,000,000 was an experiment, and no one definitely knew what would happen, but now it is a demonstrated fact that it is a failure.

Mr. WOODRUM. What does the gentleman think could have been done instead of that program?

Mr. SNELL. I think we should stop some of this expenditure on the part of the Government.

Mr. WOODRUM. Does the gentleman think that would have put people to work?

Mr. SNELL. Some of it would, because it would give encouragement to people to go on and do business.

Mr. WOODRUM. Does not the gentleman think people need something more than encouragement to do business? The gentleman does not want to answer that—the gentleman gets mad and runs off.

Mr. SNELL. Oh, I am staying right here, and will be here tomorrow, and I do not change my position either.

Mr. WOODRUM. Very well. Speaking of changing positions, the proverb says that the wise man changes his mind and that the fool never does.

Mr. SNELL. That is a smart quotation, but it depends how often you change your position. Now, let me ask the gentleman one. Was it not the gentleman who made a great speech about a year ago to cut relief from a billion and a half to a billion dollars?

Mr. WOODRUM. Yes; I am the one.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that I be permitted to yield myself 10 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SNELL. It has been generally understood from private conversation and from quotations in the newspapers that the gentleman from Virginia is against this lump-sum appropriation, and that he would insist on having these large appropriations earmarked. The newspapers state this morning that after a visit to the White House the committee changed its opinion. Will the gentleman tell us the reason why?

Mr. WOODRUM. The committee has not changed its opinion. The appropriations are made directly to the agencies. W. P. A. projects must be approved by the President. There ought to be a check on those projects and just the same in P. W. A. They are made direct to the agencies. There is no lump sum in there. You could not earmark these appropriations any further unless Congress wanted to sit down and select the individual projects, which would be the worst possible thing that could happen.

Mr. SNELL. That is partly true; but has not the gentleman changed his opinion?

Mr. WOODRUM. I will say that a man who serves in this body has to change his mind in the course of a day's work, and he should always try to change it in the right direction.

Mr. SNELL. But if he changes too often, how can he expect people to follow him? Let me ask the gentleman one other question. We know why the gentleman changed his mind. Of what real value will these contracts be with the States where they have no authority to make these contracts for leasing these public buildings?

Mr. WOODRUM. It will enable them to get the benefit of the 45 percent grant.

Mr. SNELL. Yes, they may get the benefit; but if they have no authority to make the contracts, what good is the contract with the Federal Government? How is the Federal Government going to get its pay?

Mr. WOODRUM. We are told that the constitutional limitations against going into debt do not apply to the making of a lease. That is, a community that could not borrow a million dollars could make a lease over a period of years to rent the building. The structure would be on land bought by the Government and it would hold title to the whole project until full payment was made.

Mr. SNELL. Does not the gentleman consider that obligation a debt?

Mr. WOODRUM. Yes, it is an obligation.

Mr. SNELL. Is it not a debt on the community?

Mr. WOODRUM. It is an obligation of the community but not a debt within the constitutional limitations.

Mr. SNELL. Then it is unauthorized and cannot be collected.

Mr. HARLAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARLAN. In the case of a colloquy of this kind is the time divided between the majority and the minority, or is it used by the minority against the majority?

Mr. SNELL. Oh, if the gentleman finds my question embarrassing he has the right not to answer the question if he so desires.

Mr. KNUTSON. Mr. Chairman, if the gentleman from Ohio [Mr. HARLAN] were as free with his time as he is with the public Treasury there would be no difficulty.

Mr. CITRON. Under section 205 (b) of the Public Works Administration Extension Act of 1937, preference was given

to projects approved at elections held prior to the date of that act. The P. W. A. determined that failure to hold a permissive referendum in the city of New Haven was not equivalent to an election. Will the new bill change that provision?

Mr. WOODRUM. Under the 1937 act, the money made available for grants was insufficient to take care of all projects that had been approved by the P. W. A. Hence the act gave a preferred status to the classes of projects mentioned in section 205, including projects authorized at elections. The preferences in section 205 of the P. W. A. Extension Act of 1937 do not apply to the funds made available by the present measure and the committee is opposed to any effort to earmark funds for any particular class or classes of projects. Therefore, under this measure, no election would be necessary unless required by State law.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. JOHNSON of Oklahoma. As I understood the gentleman's answer to a question a few moments ago with reference to the two-thousand-seven-hundred-odd P. W. A. projects that have heretofore been approved, in case an approved project did not get the money but started work with their own finances, such a project would be eligible under this bill.

Mr. WOODRUM. That is my construction of it, as I have heretofore explained.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MAPES. As I understand, \$750,000,000 is appropriated in this bill for P. W. A. projects.

Mr. WOODRUM. For grants.

Mr. MAPES. For grants; and that something like \$400,000,000 of projects had been approved.

Mr. WOODRUM. That, too, is for grants.

Mr. MAPES. For grants. Is it the gentleman's understanding that these grants are going to be made without any further procedure being taken? Is that money frozen, fixed for that amount?

Mr. WOODRUM. No; I do not so understand it. P. W. A. tells us they will be on their highly preferred list, that they are ready to go forward with those projects if there have not been intervening circumstances or situations of an adverse nature.

Mr. MAPES. But they reserve the right to make the grants as they see fit if in their judgment it is unwise to make the grant.

Mr. WOODRUM. Certainly, and they have to be approved by the President.

Mr. TAYLOR of Colorado. Mr. Chairman, if the gentleman from Virginia will yield that I may make a statement to the gentleman from Michigan [Mr. MAPES], I may say that we learned that now the States do not want to go through with quite a number of projects that have heretofore been approved.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BATES. The Members of the House, and I believe the people of the country, are generally under the impression that we have a very serious unemployment situation throughout the country. I am asking the gentleman why it is that the Federal Government is asked to contribute money to some of those States of the Union where the Governors of those States in the public press say there is no depression, there is not even a recession, and then compare the industrial and employment condition of the States with other States of the Union which are having difficulty in meeting their unemployment situation?

I have particularly in mind a tabulation I received from W. P. A. this morning in which I find that the combined expenditure for direct relief in an entire State is less than what it is in one small community in the State from which I come. As an illustration, in one State the total expenditure for relief is only \$46,000, yet the Government gives \$12,000,000 to that State for relief. The same condition

runs down through a number of the States of the Union. Why are other States of the Union that have great relief problems to contend with, States which are finding great difficulty in getting the money, being assessed to take care of a relief problem that does not exist in these other States?

Mr. WOODRUM. I do not know the tabulation the gentleman has; but, of course, the whole relief problem is based on placing the relief where the unemployment exists.

Mr. BATES. Why is that not done? If we have unemployment in a State why should that State not pay at least a real part of the cost and not just 1 or 2 percent, as is done in many of the States? I think the gentleman is quite familiar with that situation. Has the committee gone into this situation at all?

Mr. WOODRUM. We had pretty full hearings on it, I may say.

Mr. BATES. And to what conclusion has the committee come?

Mr. WOODRUM. The committee has come to the conclusion that relief ought to go where unemployment exists; and as far as it can provide that by legislation it has done so.

Mr. BATES. Has the gentleman and the committee become acquainted with the figures I have here?

Mr. WOODRUM. I do not know what figures the gentleman has, but the committee went into it very fully.

Mr. BATES. The gentleman knows, and I presume his committee knows, that some of the States contribute only 1, 2, or 3 percent.

Mr. WOODRUM. I know there is a good deal of variation. Some are not able to contribute anything.

Mr. BATES. They come pretty near not contributing anything. The gentleman knows that is true.

Mr. WOODRUM. There is some truth in the statement that some of the States contribute very little. Some have very little unemployment.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. KNUTSON. In view of the fact that the bill has only come from the printer, I have not had time to go over it. The gentleman told the House that the bill contained a provision that all applications for P. W. A. grants must be in by November 8.

Mr. WOODRUM. Before October 1, 1938.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MARTIN of Colorado. What would be the status of a municipal P. W. A. project that had been approved but was caught in the shut-down last fall, a project which since that time the community has gone ahead with and perhaps two-thirds completed?

Mr. WOODRUM. The community would be eligible for assistance in completing the project on the basis of a grant and loan, or a grant, as the case may be, subject to P. W. A. requirements.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mrs. ROGERS of Massachusetts. What does the bill provide with regard to flood relief?

Mr. WOODRUM. There is provision for such work under W. P. A. projects with the proviso that 90 percent of the labor used on the project must be relief labor.

Of course, we have put additional funds in the War Department bill for flood control, as the gentlewoman knows; \$35,000,000.

Mrs. ROGERS of Massachusetts. We will not gain anything out of that up in Connecticut and our section of the country where we have the Merrimack and Connecticut Rivers. We have a very dangerous and serious situation up there.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 2 additional minutes.

Mrs. ROGERS of Massachusetts. How much will be set aside for veterans' hospitals?

Mr. WOODRUM. One hundred million dollars of P. W. A. funds may be used for Federal projects. Veterans' hospitals come in under that.

Mrs. ROGERS of Massachusetts. Would the gentleman consider earmarking \$15,000,000 for that purpose?

Mr. WOODRUM. The gentleman will oppose any direct, specific earmarking of any funds. We have provided funds and these projects will have the opportunity to go through the same channel as all other projects and I feel confident that the veterans' projects will be given consideration.

Mrs. ROGERS of Massachusetts. How about Army projects?

Mr. WOODRUM. There are some.

Mrs. ROGERS of Massachusetts. They will be generously taken care of?

Mr. WOODRUM. Yes.

Mr. GARRETT. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Texas.

Mr. GARRETT. Many independent school districts, in which thriving cities are located and whose facilities for school purposes are wholly adequate, have reached the constitutional limit so far as bonds and warrants are concerned. In the gentleman's opinion, would this lease proposition under the pending bill be available to those school districts?

Mr. WOODRUM. It will be available to the community or locality if it wishes to apply.

Mr. BEITER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. BEITER. Under the language of the act, would it be possible to transfer the duties and functions of the present Federal Emergency Administration or the Public Works Administration to some other agency in the Government, or will those duties and functions that rest in the Interior Department with the Secretary remain there?

Mr. WOODRUM. The Public Works Administration is an independent agency. It is not a part of the Interior Department. Under the law the President names the administrator, and he made the Secretary of the Interior the Administrator. That is why it happens to be in the Interior Department. I assume it will remain there. Of course, the President could name another administrator.

Mr. BEITER. That is true. I have my own fears, and, speaking for myself, I was under the impression when the Housing Act was passed it was going to remain with the Secretary of the Interior; however, another man was appointed, and those duties turned over to a new agency.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I was unable to understand after the gentleman from Virginia concluded whether he regarded this bill as an opiate or as a blood transfusion. Frankly, it looks very much as if it was designed as an opiate to keep the people fooled until after election, and that is about all.

Mr. Chairman, I want to go through this bill and would like to have the attention of those who are interested. I direct attention to page 9 of the report and to the actual facts with reference to what is carried in the bill. I have estimated the unexpended balances that are authorized to be appropriated as well as I can from the testimony and from past performances. There is no question in my mind but what there will be \$1,300,000,000 for the W. P. A. Mr. Hopkins said \$1,263,000,000, but last year there were \$242,000,000 left over. The unexpended balances estimated in the Farm Security outfit is practically \$3,000,000, in the National Youth Administration practically \$2,000,000, and P. W. A. approximately \$112,000,000.

The committee took the recommendation of the President with reference to the P. W. A. and raised the authority \$500,000,000 above the President's message. The President proposed \$450,000,000 for grants and \$550,000,000 for loans. This bill provides \$750,000,000 for loans and \$750,000,000 for grants. There is absolutely no question but what those

figures can be reached and they are \$500,000,000 above the recommendation of the President.

These unexpended balances were not recommended and the total amount that may be spent under this bill is \$3,223,425,000. I am going to ask permission of the House to include in the RECORD a table showing just exactly how the committee has done this and then I am going to make the assertion I believe this is an absolute waste of the people's money. What kind of a situation have we?

Mr. WIGGLESWORTH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. That figure is on the basis of a 7 months' appropriation for the Works Progress Administration.

Mr. TABER. Yes. It will require another billion dollars probably to carry on the W. P. A. for the 5 months following February 1. On top of that there are other appropriations recommended by the President, including \$300,000,000 for loans on housing, a billion and a half dollars for R. F. C. loans, which, together with the amount that will be required to carry the operation along, and together with the amounts that have already been carried in the bills heretofore passed by the House, makes \$6,157,425,000 as the probable expenditure during the fiscal year 1939 if they are able to put out all this money in that time. Of course, in all probability the P. W. A. will not be able to put all this money out.

Pursuant to the consent given me, I submit the following table:

*President's proposals*

1. Expenditures from the Treasury for work:	
W. P. A.-----	\$1,250,000,000
Farm Security Administration-----	75,000,000
National Youth Administration-----	75,000,000
P. W. A.-----	450,000,000
Federal buildings-----	25,000,000
Total-----	1,875,000,000
2. Loans from the Treasury for work:	
Administrative-----	50,000,000
Farm Security Administration-----	100,000,000
P. W. A.-----	550,000,000
Total-----	2,575,000,000

*Committee proposals in this bill*

1. Expenditures from Treasury for work:	
W. P. A.-----	1,300,000,000
Farm Security Administration-----	178,000,000
National Youth Administration-----	77,000,000
P. W. A.-----	862,000,000
Federal buildings-----	25,000,000
Puerto Rico-----	8,000,000
2. Loans from Treasury for work:	
Administrative-----	23,425,000
P. W. A.-----	750,000,000
Total-----	3,223,425,000

This means \$648,425,000 above the Budget estimates.

However, they probably could spend half of it, so that you probably would have to take out of the P. W. A. expenditures one-half of the amount because they could not spend any more than half of it in the fiscal year 1939. In the fiscal year 1940 they probably would be spending most of the rest of it.

What is the situation? This bill calls for approximately \$1,300,000,000 for the W. P. A. What kind of a service is that? Let me read you a comment sent to me by a friend of mine who was touring through the country in an automobile.

In auto on April 28, 1938: Pennsylvania route 11 (from Binghamton, N. Y.); Kingsley, Pa., and route 106 through Honesdale and Hawley; route 6 to Milford, Pa.

Probably passed through 15 to 20 relief road gangs, some probably 20 people, some smaller numbers; but no matter the numbers, some 90 percent of each gang were exemplifying not the abundant life but the abundant loaf.

The handling of labor is no new experience for me, and a loafing gang is loafing with the consent of the gang foreman. A gang foreman permits loafing only under orders from his "higher-up" boss (as foreman wants to protect his own job).

A usual custom was the placing of a sign, "Resume speed," beyond the gang, but always so far away from the gang that the gang

could not read it, otherwise the gang might have used "speed," I suppose.

Passed some highway department workers, who were working (thank God).

Every one of you has had that same experience. I have driven through a great many States in an automobile and I have never failed to see that situation duplicated wherever I have run into that kind of a crowd.

I have here a picture, taken from a paper in my own territory, of the kind of a job they do where they put in a sewer. This shows the way they left the road, so nobody could get through it. What does it mean? It means we are turning \$1,300,000,000 over to an outfit that has no efficiency and that does not help to maintain the morale of the American people.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. In the very first part of the bill it is stated that this money shall be spent on useful projects. Does that mean anything, or has it meant anything?

Mr. TABER. No; it has meant absolutely nothing. It has meant frittering the funds away.

Mr. GIFFORD. Fifty miles of stone wall was built on land worth not more than \$2 an acre. The wall was built by people transported 40 miles to do the work. By any stretch of the imagination can that be called useful public work?

Mr. TABER. No; there is absolutely no possibility of that.

Mr. GIFFORD. Then no attempt has been made on the part of the committee to define that language further?

Mr. TABER. No; it would not do any good if it did.

Mr. GIFFORD. Am I mistaken in that the gentleman from Virginia has heretofore pleaded that there should be earmarking of these funds?

Mr. TABER. Yes; but not in a specific way for specific projects. I do not believe he has ever gone as far as that.

Mr. GIFFORD. Is not the only earmarking in this bill subject to the approval of the President?

Mr. TABER. Yes. There is no earmarking in here other than has appeared before, except with reference to administrative expenses for auditing and for writing checks. That is the only earmarking we have.

Mr. GIFFORD. There is no attempt on the part of the committee to have the decision made by a nonpolitical body or any portion of a State body with authority?

Mr. TABER. No attempt whatever.

Mr. GIFFORD. Although testimony on it may have been presented to the committee, the committee did not consider State control of this matter at all?

Mr. TABER. Oh, no; because there might be some efficiency if they allowed that. I believe these funds should be turned back to the States for administration and disbursement, with proper regulation by a nonpartisan board, and that we should get to the point where we have courage enough to be something other than "rubber stamps." We should demand of the best people in our communities that they take charge of this relief problem and see that the money is given out in a proper way and efficiently, and thus cut down the waste that exists in connection with it. [Applause.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Some time ago, immediately following the President's message, I inquired of the gentleman if he thought it was practical to earmark funds to be handled along the lines we have heretofore followed and as indicated in this bill. Since the developments of the last 2 weeks, may I ask the gentleman, in order to get it into the RECORD, does the gentleman believe it is practical for strict and genuine earmarking ever to be applied to this kind of a program involving large sums, where the Congress really has effective control of the expenditures, unless the administration of it does go back to the local authorities?

Mr. TABER. In my opinion, it can only be done by sending the money to the local authorities to be handled by a nonpartisan board in order to get any fair result in the nature of

relief. I do not believe we can earmark every project or that such a course should be undertaken in the legislation.

Mr. CRAWFORD. The gentleman refers to a nonpartisan board. Does the gentleman mean a local board?

Mr. TABER. I mean a local board, and I mean a Federal board also.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. COCHRAN. In reference to the sewer project to which the gentleman called attention, as referred to in a Syracuse, N. Y., paper, is it not a fact that wherever W. P. A. participates in a sewer project it is on the recommendation of the local and State authorities only? Therefore, if this project is wrong, the local authorities and the State authorities are the ones who are responsible.

Mr. TABER. No; because when they do a rotten job, the fellows who have charge of doing the job are under the W. P. A. and not under the local authorities.

Mr. COCHRAN. Why should the county or the city or the State ask the W. P. A. to participate in a sewer job unless they are going to be satisfied with the work?

Mr. TABER. They just got stuck, that is all. They thought maybe the W. P. A. would do a decent job; but they did not.

Mr. COCHRAN. Would the gentleman contend that you should fix the street immediately the sewer is laid? Would you not want them to give the dirt an opportunity to settle before constructing the street?

Mr. TABER. They had 8 months for the dirt to settle.

Mr. COCHRAN. This picture does not indicate that.

Mr. TABER. And they did a bum job; that is all there is to it. I cannot yield any further right now.

This W. P. A. business is entirely inefficient. We are just wasting the money. We ought to throw it away and get rid of it and have an honest proposition in administering relief.

I now want to talk about this P. W. A. proposition. I have here a statement, which I put in the RECORD several days ago, showing the amount per capita that would go to the different States under the P. W. A. allotments. They range from 75 cents in Arkansas to \$32 in California. No one can tell me this means a relief proposition. No one can tell me there is any such thing as a distribution of that load according to relief demands. On top of this we are at the present time facing a situation where if you are going to do anything for relief you ought to do it now and not next spring.

These P. W. A. jobs will not be started much before the 1st of January, and they will be a year and a half in completion. They are not pertinent to a current relief problem. They have no place here and no business in a relief bill. Therefore we ought to put that out of any relief bill and consider it as a project bill and as to whether or not the United States can afford to make \$750,000,000 of grants and \$750,000,000 of loans to the different units throughout the country.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a brief question there?

Mr. TABER. If it is a pertinent question, I will yield.

Mr. SIROVICH. I heard the distinguished chairman of the subcommittee state there were 1,240 or 1,270 projects that are not ready now to go on immediately?

Mr. TABER. They are the projects that I referred to. There are 2,714 projects said to be ready, totaling \$1,000,000,000 and calling for grants of \$438,000,000, but they are not ready to go on immediately. The examination of Secretary Ickes indicated it would be 4 or 5 months before they would go on, and there is not any sense in trying to lead people to believe you can take projects of that character and go on with them immediately, because it takes a very considerable time to polish these things up and get them in shape and then let the contract.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield to me just a second so I may ask the chairman of the subcommittee if these projects can be begun at once?

Mr. WOODRUM. If the gentleman from New York [Mr. TABER] cares to be interrupted—

Mr. TABER. I will yield.

Mr. WOODRUM. It was stated there were many of these projects that could be gotten under way immediately, and some of them will take 60 or 90 days to get in operation.

Mr. TABER. And some of them will take a great deal longer than that.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BATES. I know from personal experience that a great many of these projects are not even developed in the elementary stage.

Mr. TABER. I know that is true.

Mr. BATES. They were asked to submit them to the P. W. A. a year ago and 2 years ago and the preliminary plans have not been developed yet.

Mr. TABER. I know of instances where the projects have all been completed because they could not get the grant out of the P. W. A. without having it cost them more than it would take to build it themselves.

Mr. KNUTSON. Mr. Chairman, will the gentleman tell the House why it should be necessary for the regional offices to telegraph about a month ago all the applicants who were not given their grants last year? Would not a letter have served the purpose just as well?

Mr. TABER. I suppose they thought they could not get the attention of these fellows without waking them up with a telegram. They probably do not read their mail. [Laughter.]

Now, this P. W. A. proposition is an item that absolutely does not have any bearing on the relief picture at all.

It is a waste, it is an extravagance, and it is divided up in such a way, as I called attention to a little while ago, so that it is not a fair distribution throughout the country.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. GIFFORD. Is it not a fact that the wealthy communities that can well afford the 55 percent are still standing and waiting for this Government, and that it is not the communities that really need it that are getting the P. W. A. help after all? Is not that true?

Mr. TABER. It is true to a large extent.

Mr. GIFFORD. It is very true.

Mr. TABER. It is true, more than anything else, that the bulk of these P. W. A. projects are not in localities where the relief burden is the worst.

I go back for a moment to this item on page 19 (e) from line 19 on page 19 down through the rest of the page, and the first two lines on page 20. That is where leases may be made, it is said. That provides that "the Administrator may, with the approval of the President, advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not exceeding 25 years, at least 55 percent of the amount so advanced, with interest thereon for the period of the amortization." That can be nothing more than an absolute outright agreement to pay back, and under these provisions of the constitutions and laws of these States, where there is a limitation upon the borrowing power, and the right to issue obligations, this kind of an obligation to the Federal Government from the State or the municipality would be absolutely void. It does not take even a lawyer to see that. The plain language of it is enough.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. CRAWFORD. Let us assume for a moment that it was enforceable. Then what about the third party who purchased the obligation under the constitutional limitation or otherwise. Would it not deprive him of what he would have received in the payment of his claim against the municipality under the constitutional provisions?

Mr. TABER. There is no question about it. They could not enforce it.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SIROVICH. Is it not a fact that the finest and most wholesome constructive work in the P. W. A. has been the building of bridges and tunnels and the finest schools, which are self-liquidating? In their nature they have been done through the medium of the P. W. A.

Mr. TABER. Oh, no; the P. W. A. has not done constructive work. It has done extravagant work. It has done a lot of projects that are wonderful, but every one of them cost more money than it should, and they have been built with funds which have been dumped into this situation, and all they have really accomplished toward the welfare of the country is to build up a great big overpowering debt, which is a menace to the employment of our people and a menace to the return of prosperity. That is the situation.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MASON. Along that same line, I know of one P. W. A. project that had been approved by the Government, the money had been allocated, and when the thing was investigated it was found it would cost a great deal more than that way for the local community than it would to build it itself, so the amount was refused, and the local community built it and saved money.

Mr. TABER. Oh, there are hundreds of such cases. I direct attention now to one or two things in connection with these projects. P. W. A. is supposed to have supervision over these things. What kind of supervision does it have? On page 393 of the hearings I read:

Mr. TABER. When you make a loan or grant is there anything done by your organization to determine whether or not there is a need for the facilities you are providing?

Secretary ICKES. Yes; we look into that question.

Mr. TABER. Do you determine whether or not there will be a duplication of facilities?

Secretary ICKES. That is a factor that is taken into account.

Mr. TABER. Does that govern?

Secretary ICKES. Not necessarily so. The theory is that the community itself is in a better position to determine what facilities it wants. Other things being equal, we do what the community wants us to do, if they are in a position to afford it.

That is the kind of supervision you get. There is not anything that possibly could be in the nature of help in this P. W. A. situation.

Let us look at the bill. The gentleman from Virginia [Mr. WOODRUM] said first it was an opiate; later on he said that it was a shot in the arm. I asked a distinguished doctor, a Member of this House, if the two were the same thing, and he told me maybe. Then I asked him if an opiate and a blood transfusion were the same thing and he said no. What is the situation we are in?

As we approach the consideration of this bill labor is down and out of employment as a result of the operations of the notorious Labor Relations Board. Industry is down, largely for the same reason—but more than that, because of other policies of the Government which I shall enumerate. Mining is down. Agriculture is down because of the regimentation policy of Secretary Wallace and the A. A. A.; because of the allotments of agricultural products that have been made with a view of producing a scarcity rather than to permit a natural growth and expansion of production so that our people might have something to eat. All of them are down because of the terrific spending program of the Government over the last 5 years.

During the last 5 years, approximately \$18,000,000,000 has been spent on one kind of alleged relief or another, almost entirely for the promotion of political rackets.

And here comes the Committee on Appropriations—supposed to be a constructive and conservative force—with another bill designed not to relieve the depression, but to make it more acute and make suffering more intense. This bill will not provide any relief. Under it the problem of taking care of almost all of those in real distress is left to the local communities and the States.

On top of that, we are attempting to foist a tremendous building program on the people, the cost of which will run \$1,500,000,000, under the P. W. A.—a program of public

buildings erected, in many cases, not because of the need, but because of the desire of the people for monumental structures—a program, which if properly handled would be a nice thing if we could afford it, but we cannot afford it when we are facing a possible deficit of \$8,000,000,000 in 1939 if this money can all be spent within the fiscal year 1939. It means such a burden of debt for future generations that it does much more to thwart recovery than to promote it.

I am appealing to the Congress to throw off the role of "rubber stamp" that it has carried for the last 5 years and to approach the problem of unemployment and relief from a constructive basis. It is time in the Nation, in each State, and in each local community for us to demand of the very best and ablest men we have that they give of their ability and of their time whatever the demands may be—enough to try and solve the relief problem. It is time that we turn our funds back to the local communities where our local people know who is entitled to relief and relief employment and let them work it out, without interference from a high-handed governmental bureaucrat.

I am appealing to the membership of the House to cast aside fear of political reprisals and do what I know the honest judgment of every Member of the House calls for, try to meet this problem, repeal the National Labor Relations Act, repeal the agricultural scarcity act, and give our farmers and our business people a chance to put people to work, have honest relief instead of promoting a tremendous building program as a racket.

Before it is too late let Congress assert itself, let its Members show that they have been thinking of this problem and are honestly trying to solve it regardless of pressure from the Executive; let us stand up and fight for this American system of government that has made this country great. Let us not place any more curses on the unemployed. Let us not place more debt on the people for projects that we can get along without.

This bill calls for upward of \$649,000,000 above the Budget estimates, and will start and carry forward a wild orgy of spending that will produce no relief at all but will just get us deeper into the mire.

I hope that Congress will turn relief back to the States, with such aid as they may need. I hope that they will refuse to sanction a building program which cannot be started before January 1, and which will provide very little employment and no relief at all.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

The gentleman from Virginia said he thought this pump-priming project would work if industry would cooperate. Does anyone think that industry is such a fool that it would not put people to work if it possibly could? Does anyone think that the people who run the factories, and the mines, and the businesses of America would not provide employment for the people if they could? What has been the result? The Executive has demanded cooperation of industry.

Mr. FULLER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. FULLER. Some men in the visitors' gallery are applauding. They have done it three or four times. It is against the rules of the House. I ask the Chair to enforce the rules of the House.

The CHAIRMAN (Mr. PARSONS). The Chair reminds the visitors in the gallery that they are here as the guests of the House. The rules provide that visitors in the galleries may not express approval or disapproval of anything that happens on the floor. The Chair trusts that the visitors in the galleries will abide by the rules of the House.

The gentleman from New York will proceed.

Mr. TABER. Mr. Chairman, the cooperation of industry has been asked, but in what terms? Robert Jackson has cracked down on them; Harold L. Ickes has cracked down on them; the President of the United States has cracked down on them, and the National Labor Relations Board has

cracked down on them in such a way that they cannot provide the employment for the people that they would provide if they were given a chance. Why do you come here and demand that industry cooperate while at the same time the administration and the Congress fail to act to destroy those things that are preventing employment?

I appeal to the Members of this House to get away from false gods and to follow sound procedure, to have honest relief and to give the business people of America an opportunity to provide the employment which they would so readily provide if they were given the chance. Stop putting barriers in the way of the employment of our people.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TAYLOR of Tennessee. Does the gentleman believe that this W. P. A. extravagance would stop if the Federal Government required some contribution from the local communities?

Mr. TABER. If a contribution were required from local communities for W. P. A. projects, I believe much of the extravagance would stop.

Mr. TAYLOR of Tennessee. Even with a 10-percent contribution.

Mr. TABER. It would help.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAGNUSON. I am interested in what the gentleman has said about industry, but I would remind him that only recently the automobile industry laid off a lot of people. The gentleman says industry wants to put people back to work. I notice that Mr. Knudsen, the head of General Motors, still draws his \$320,000 a year salary. I am just wondering how the gentleman reconciles these two factors. This amount of money would take care of a lot of people.

Mr. TABER. Oh, it would take care of just a few people.

Mr. MAGNUSON. Is that cooperation?

Mr. TABER. Out of that \$320,000 Mr. Knudsen probably has to pay \$250,000 in taxes.

Mr. MAGNUSON. He should.

Mr. TABER. So he does not have a lot left for himself, if that is what he draws.

Mr. GIFFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. May I ask the gentleman if he noticed that the strong, eloquent plea of the gentleman from Virginia, when the \$4,800,000,000 and the \$3,300,000,000 proposition was up, was on account of Hoover and his political party. Did the gentleman notice he did not explain to us at all why this was needed or tell us about the causes that brought it on? There was no oratory on that proposition at all.

Mr. TABER. He assumed, no doubt, every one knows that we are in the midst of the Roosevelt-created depression.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Going back to this fundamental question of the local communities making a contribution, does the gentleman believe that the local communities would object to contributions if the local communities had the entire problem within their jurisdiction, so that they could say to Tom, Dick, or Harry, "You will get on relief on such-and-such conditions," or "You are not entitled to relief because so-and-so"? Does not the gentleman think that is really at the bottom of this whole thing?

Mr. TABER. That is the key to the situation.

Mr. SIROVICH. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. SIROVICH. May I call the gentleman's attention to the fact that in the Hoover depression there were almost 9,000 banks closed, while in the Roosevelt term during the

last 5 years we have gone through, only 140 banks have closed?

Mr. TABER. We are pretty nearly that far.

Mr. GIFFORD. The banks today are full of Government money.

Mr. TABER. The banks are not as good as I wish they were right now.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include three tables compiled by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Chairman, with reference to the statement just made regarding the period when the banks were closed, may I call attention to the committee report? In February 1933, when the banks closed, there were 19,510,000 persons on relief. In March of 1938 there were 20,112,000 persons on relief. In other words, we had 602,000 more people on relief in March 1938 than we had in 1933 when the banks were closed.

Mr. SIROVICH. Will the distinguished gentleman yield?

Mr. ENGEL. I decline to yield.

Mr. SIROVICH. Where does the gentleman get his information?

Mr. ENGEL. That is taken from the committee report, and it will be found on page 7.

Mr. Chairman, in June 1932, the Democratic, Republican, and Socialist Parties, in convention assembled, adopted certain provisions in their platforms, advocating a remedy for the depression which at that time had been with us nearly 3 years. Each party based its remedy upon the philosophy of government advocated by its leadership.

#### THE REPUBLICAN PLATFORM OF 1932

The Republican platform of 1932 urged the creation of emergency relief funds for temporary loans to States; favored loans to State and local authorities and private concerns for revenue-producing and self-liquidating projects. It endorsed the principle of high wages; favored the adoption of a shorter working day and week by the Government and by private employers as rapidly as possible. It recognized and approved collective bargaining by responsible representatives of employees; and, among other things, it advocated prompt and drastic curtailment of Federal, State, and local Government expenditures to a level, "which can be steadily and economically maintained for some years to come."

#### THE DEMOCRATIC PLATFORM OF 1932

The Democratic platform of 1932 favored the extension of Federal credit to States whose diminishing resources made further aid to the needy impossible; the expansion of the Federal program of necessary and useful construction and the advance planning of public works. It advocated unemployment and old-age insurance under State laws, and the encouragement of a shorter working day and week, and its adoption by the Government services as an example, and finally it advocated the immediate and drastic reduction of expenditures by abolishing useless commissions and offices, consolidations of agencies, and elimination of extravagance to make possible a 25-percent saving, and urged State Democrats to do likewise.

#### THE SOCIALIST PLATFORM OF 1932

The Socialist platform of 1932 proposed:

First. A Federal appropriation of \$5,000,000,000 for immediate relief for those in need, to supplement State and local appropriations.

Second. A Federal appropriation of \$5,000,000,000 for public works and roads, reforestation, slum clearance, and decent homes for the workers, by Federal Government, States, and cities.

Third. Legislation providing for the acquisition of land, buildings, and equipment necessary to put the unemployed to work producing food, fuel, and clothing and for the erection of houses for their own use.

Fourth. The 6-hour day and the 5-day week without a reduction of wages.

Fifth. A comprehensive and efficient system of free public employment agencies.

Sixth. A compulsory system of unemployment compensation with adequate benefits, based on contributions by the Government and by employers.

Seventh. Old-age pensions for men and women 60 years of age and over.

Eighth. Health and maternity insurance.

Ninth. Improved system of workmen's compensation and accident insurance.

Tenth. The abolition of child labor.

Eleventh. Government aid to farmers and small-home owners to protect them against mortgage foreclosures and a moratorium on sales for nonpayment of taxes by destitute farmers and unemployed workers.

Twelfth. Adequate minimum-wage laws.

It will be noted that there was very little difference between the Republican and Democratic platforms in these particular respects. Both platforms advocated loans or credit to the States, higher wages, shorter working hours, collective bargaining, and so forth. Both platforms advocated a drastic curtailment of Federal expenditures and reduction of taxation, the Democratic platform going to the extent of criticising the Republican Party for extravagance and advocating a 25-percent reduction in public expenditures.

#### PRESIDENT ADVOCATES DRASTIC ECONOMY IN 1932

The President repeatedly emphasized that part of the Democratic platform advocating drastic economy and reduction of expenditures and taxes and advanced the philosophy of government in which he then believed in numerous speeches. In Sioux City, Iowa, in September 1932, he said:

I accuse the present administration of being the greatest spending administration in peacetime in all our history, one which has piled bureau on bureau, commission on commission. Bureaus and bureaucrats have been maintained at the expense of the taxpayer.

At Brooklyn, on November 4, 1932, he said:

The people of America demand a reduction in Federal expenditures. It can be accomplished not only by reducing the expenditures of existing departments but it can be done by abolishing many useless commissions, bureaus, and functions.

In Pittsburgh, on October 19, 1932, he said:

Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain. Our people and our business cannot carry its excessive burden of taxation.

Again, in his economy message to Congress on March 10, 1933, the President said:

For 3 long years the Federal Government has been on the road to bankruptcy. \* \* \* With utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. \* \* \* Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

All through the campaign of 1932 he emphasized economy, reduction of expenditures, and of taxation as the foundation upon which a sound return to prosperity must be based. I am not quoting him with the view of making it unpleasant for my friends on the Democratic side of the aisle, but I am merely quoting him and the Democratic Party platform as representing their philosophy of government and the remedy advocated by the Democratic platform of 1932 and the foundation upon which they then believed we must build a sound prosperity.

The people, by a tremendous vote, ratified and adopted the policy of the Democratic Party of 1932 and endorsed its leadership. The Democratic Party immediately after taking office on March 4, 1933, passed the Economy Act as the first step

in redeeming its campaign promise of making drastic economies and of cutting Government expenses 25 percent.

I have before me a copy of the industrial production chart published by the Board of Governors of the Federal Reserve System, which, it must be conceded, is nonpolitical. I regret very much that the rules of the Joint Committee on Printing do not permit me to insert this chart into the RECORD.

#### INDUSTRIAL PRODUCTION CHART OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Let us now examine this industrial production chart of the Board of Governors of the Federal Reserve System. This chart is adjusted for seasonal variation, the 1923-25 average being 100 percent. It runs from 40 to 140 percent, the 100 percent being the average industrial production above referred to. Industrial production, according to this chart, reached its peak in July 1929 of about 125 percent, or 25 percent above the 1923-25 average. It then gradually went down until it reached approximately 58 percent in July 1932, or 42 percent below the average. From July 1932 to November it went up approximately 9 points to a high point of 67 percent of the normal. This increase in industrial production meant, of course, an increase in employment. Then came the November election and the 4-month interim between the election and the inauguration of the new President. It will be noted that industrial production was practically stationary until January and then went down until just prior to March 4, 1933, when the banks closed, dropping back to within 1 point of the 1932 low level.

ON MARCH 4, 1933, DEMOCRATIC PRESIDENT ROOSEVELT AND THE DEMOCRATIC PARTY TOOK CHARGE OF THE GOVERNMENT AND BEGAN TO ECONOMIZE

Then comes the most interesting part of the chart. On March 4, 1933, the President and the Democratic Party took charge of the Government. The Economy Act was then passed. It took effect immediately. The determination of the President, shown at the outset of his administration, to reduce expenses and his adherence at that time to the sound, orthodox principles of his party platform inspired a wave of confidence which swept over the country. Businessmen felt they could plan ahead. Consumers commenced buying. Factories reopened and men and women started back to work. Now look at the chart: From 59 percent of the average in March the index figure for industrial production moved in an almost vertical line to 66 percent of the average in April, to 78 percent in May, to 91 percent in June, to 100 percent in July. In other words, in 4 months industrial production, according to the Federal Reserve Board figures, almost doubled and reached the normal level, which is the 1923-25 average.

#### THE PRESIDENT ABANDONS THE DEMOCRATIC PLATFORM OF ECONOMY AND ADOPTS SOCIALIST PLATFORM OF SPENDING

Now, what stopped this upward surge of industrial production and business generally? You know what happened. For some unknown reason the President, late in the spring of 1933, fundamentally shifted his policies. He abandoned the philosophy of recovery he had preached during the campaign of 1932 which had inspired the confidence of the businessman and the Nation. He substituted a policy of "spending ourselves into prosperity" for the policy of "tax reduction and economy" which he had advocated. We commenced hearing a new phrase—"pump priming." Then we were informed of a new Budget classification. Certain expenditures were to be labeled "extraordinary" as distinguished from "ordinary" expenditures. We were told that the promise to balance the Budget applied only to ordinary expenditures. The Congress was asked to appropriate a fund which left many of its Members breathless. But that was not all. As the summer of 1933 arrived it became apparent that the President was thinking seriously of monetary tinkering. The untried experiments of N. R. A., A. A. A. were set up. The Thomas greenback law was enacted. In brief, the President substituted the Socialist platform of 1932 for the Democratic platform of that year. The full impact of these policies came to a climax and had their effect after July 1933. Confidence then gave way to uncertainty.

SUBSTITUTION OF SPENDING PROGRAM FOR ECONOMY PROGRAM MEANT  
LOSS OF RECOVERY GAINED

Now let us examine the production chart once more. As the President substituted the policy of spending for the policy of economy, and as it became apparent that he was abandoning the Democratic platform of 1932 and adopting the Socialist platform of 1933, we began to lose ground. The industrial line on our chart suddenly and sharply turned downward. From 100 percent of normal in July it fell to 91 percent in August, to 84 percent in September, to 76 percent in October, and then to 72 percent in November.

Mark this well: In November 1933 the industrial production figure of the Federal Reserve Board was only 5 points above November 1932. And do not forget that for 4 months prior to November 1933 this administration was engaged in spending hundreds of millions of dollars for relief and on public works. The N. R. A. was going full blast and the President was embarking on his inflationary monetary policy. Also, please note, these policies were continued with increased vigor in the months after November 1933, but the 100-percent point for industrial production—reached in July 1933—was not again reached for 2½ years, or until January 1936.

In view of that record—and it is an official record compiled by the Federal Reserve Board—how can anyone on this floor seriously undertake to justify pump priming and the expenditure of huge sums of money as a real aid to economic recovery? It will be noted that we went gradually up until the November election, 1936, when industrial production, spurred on by money spent and distributed just prior and just after the November campaign, was forced up to 122 percent. This point was within 3 points of the all-time industrial production point of 125 percent in 1929.

And then the upward movement again was halted. The effects of spending, like the effects of a drug, commenced to wear off. The President again torpedoed public confidence by launching his ill-conceived reorganization and Supreme Court proposal. By unwise policies the administration permitted relations between industry and labor to reach a point that had its climax in the sit-down strikes and in bloodshed. Again confidence gave way to widespread uncertainty.

Now, look again at our chart. Industrial production dropped back to 110 percent of the 1923–25 average. Then it zigzagged up and down for several months until in October it took a nose dive in virtually a straight vertical line. Industrial production fell until in March of this year it had dropped to approximately 79 percent of the 1923–25 average, a drop from last October to March of this year of 39 points. The industrial-production figure for March of this year was lower than for any March since 1933. It was only 12 points above the industrial production figure for March 1932 and it was 8 points below the industrial production figure for March 1931.

And, let me again point out, in March of this year, 5 years after the New Deal commenced, the industrial production figure was 21 points below the level achieved in July 1933 as a result of the economy and orthodox policies pursued by the President in the early days of his administration. In other words, despite the expenditure of \$40,000,000,000, despite an increase of some \$17,000,000,000 in our debt, despite devaluation of the dollar, we were worse off by far in March of this year than we were in July 1933.

IN OCTOBER 1932 PRESIDENT ROOSEVELT SAID 11,000,000 MEN WERE  
UNEMPLOYED

The President, in his speech at Baltimore in the fall of 1932, stated there were 11,000,000 unemployed. I am sure if there had been more at that time, he would have said so. Today we are informed there are from thirteen to fifteen million workers unemployed. Industrial production went up and down until in 1937, when the national income produced reached a peak of \$68,000,000,000, according to the President's recent message. Income produced and with it, of course, industrial production, then took a nose dive until we are now operating at a level of \$56,000,000,000 income produced and are still going down. The President, in his message, stated correctly that we had dropped to an annual income produced

in 1932 of \$40,000,000,000, and that we ought to maintain a level of \$100,000,000,000 annual income produced in the near future to maintain prosperity and keep unemployed at work. I am inclined to agree with him. However, it ought to be apparent that we cannot bridge the gap between an annual income produced of forty or fifty billion dollars and an annual income produced of \$100,000,000,000 with any national spending program. That a fifty to sixty billion dollar gap in income produced can never be bridged by pump priming or by Government spending should, after the 5 years of experimentation along that line, be apparent to everyone. The only way it can be done is by giving business and private enterprise a chance.

REFORM AND RECOVERY

While I favor and believe that some industrial readjustment is necessary to give employment to our surplus labor, I am firmly convinced that it is a mistake to mix drastic reform with recovery. We can curse the Morgans, the Vanderbilts and other men of great wealth. We can damn the Standard Oil, the so-called Steel Trust and the Aluminum Trust, and other business, big and small. Undoubtedly some big business ought to be cursed and damned for some of the things it has done or has failed to do. But when you are all through cursing and damning, you will, in the final analysis, have to turn to the men and corporations you are cursing and damning to put men back at work.

In the name of common sense we should not retard all industry, prevent people from getting work and paralyze the entire country in order to punish a malefactor here and there. Let us bring about recovery first and then place our house in order. Do not let us burn the house down to get rid of the rats.

WE SHOULD TAKE AN INVENTORY OF MONEY EXPENDED DURING LAST 5  
YEARS

A great many of the Members of Congress on both sides of the House were very apprehensive when this spending program was first adopted. Some tried to go along. They tried to support the President despite sincere doubts. With a few exceptions, I have opposed that spending program. As I studied the program, I became more and more convinced that the original philosophy of government advanced by both Republican and Democratic Parties of giving the country an economical and efficient government, of reducing taxes and expenditures, was the only sound road to recovery.

I am more firmly convinced that ever that to continue that spending program further will mean national disaster. We may improve conditions for a time, perhaps for a few months, but the final result will be financial and economic disaster. You can relieve pain temporarily by giving the patient a shot of cocaine in the arm, but ultimately the cocaine will either run out or will no longer take effect and the patient is worse off than before. I believe the time has come when we should take an inventory of just how much of the people's money we have spent during the past 5 years before we spend any more.

I am placing into the RECORD at the conclusion of my remarks a table showing the expenditures of the Government for the War Department, including rivers and harbors and flood control, Navy Department, Indian Affairs, Pensions, interest on public debts, and total expenditures of the Government from year to year from the first day of the first term of George Washington's administration in 1789 down to the fiscal year ending June 30, 1937, or to the end of President Roosevelt's first term of office. I have totaled these expenditures from 1789 to 1825, from 1825 to 1876, from 1877 to 1916, from 1917 to 1933, and from 1933 to 1937. I am placing in the RECORD another table giving the totals from 1789 to 1825, from 1789 to 1876, from 1789 to 1916, from 1789 to 1933, and from 1789 to 1937.

It is only by studying these figures that we begin to realize just where we are going on this question of expenditures. I have checked and rechecked them against the Treasury Department reports and believe you will find them accurate. So amazing are these figures that at first glance you may

be incredulous, but I assure you that they have been taken from the official reports of the Treasury Department, and I have made certain that they are accurate.

WE HAVE PAID MORE INTEREST FROM JULY 1, 1933, TO MAY 2, 1938, THAN FROM 1789 TO THE WORLD WAR

These tables show that we have paid out from July 1, 1933, to May 2, 1938, \$501,159,684 more interest on public debts than we paid from the first day of our Government under the administration of George Washington in 1789 down to the World War. This total includes \$685,240,804 paid from July 1, 1937, to May 2, 1938.

COST OF GOVERNMENT FROM 1789 TO JULY 1, 1933

The Treasury Department records show, according to these tables, that it cost \$134,222,069,584 to operate this Government from the first day of George Washington's first term of office in 1789 down to July 1, 1933, that being the first day of the first fiscal year of President Franklin D. Roosevelt's first term of office. In that amount is included the cost of every pound of powder, every shot, every shell, every cannon and every rifle, every soldier's uniform and ration, and all the other costs of the War of 1812, the War with Mexico, the Indian War, the Civil War, the Spanish-American War, and the World War. In that amount is included \$30,196,804,263 spent during that period by the War Department, including rivers and harbors, and so forth, covering both war and peacetime expenditures; \$12,546,694,997 expended for the Navy Department; \$15,687,438,866 interest paid on public debt; \$9,479,888,430 paid in pensions to war veterans of all wars, excluding the World War veterans; \$2,521,089,852 in pensions and compensation benefits to World War veterans or dependents of deceased veterans (\$1,208,818,809 paid prior to July 1, 1933, to World War veterans from the adjusted-service certificate fund); \$1,235,730,127 paid for Indian affairs. In this amount is also included the cost of the Louisiana Purchase, the purchase price of Alaska, the amount we paid Spain for the Philippine Islands, the cost of the Panama Canal, and what remained of the debt incurred in the cost of the Revolutionary War in 1789. All of these items plus the ordinary cost of operating this Government for 144 years are included in this \$134,222,069,584.

CONGRESS HAS APPROPRIATED AND AUTHORIZED TO BE APPROPRIATED UNDER THE ROOSEVELT ADMINISTRATION 43.8 PERCENT OF THE COST OF GOVERNMENT FOR 144 YEARS AND 43.7 PERCENT OF THE ASSESSED VALUATION OF THE 48 STATES

The amounts appropriated by Congress during the past 6 fiscal years are as follows:

72d Cong., 2d sess., and 73d Cong., 1st sess., fiscal year 1934 and prior years.....	\$7,692,447,339.17
73d Cong., 2d sess., fiscal year 1935 and prior years.....	7,527,559,327.66
74th Cong., 1st sess., fiscal year 1936 and prior years.....	9,579,757,330.31
74th Cong., 2d sess., fiscal year 1937 and prior years.....	10,336,399,272.65
75th Cong., 1st sess., fiscal year 1938 and prior years.....	9,356,174,982.92
75th Cong., 2d sess., fiscal year 1939 and prior years.....	10,735,249,257.86

(After deducting \$365,115,200 reappropriations.)  
Total appropriated in last 6 years under Mr. Roosevelt..... 55,227,587,510.57  
(1939 figures are estimates given by House Appropriations Committee.)

Congress has during that same period of time authorized but not yet appropriated \$3,486,763,615, an itemized statement of which is contained at the end of these remarks. Thus the appropriations and the authorizations above referred to total the enormous amount of \$58,714,351,125.57.

On February 3 of this year, I delivered a speech on the floor of the House entitled "The Public Debt and National Solvency." At that time I gave the assessed valuation for the 48 States, which amounted in 1935 to \$134,144,084,126.

Mr. Chairman, we are amazed to learn from these tables taken from the Treasury Department records that during the fiscal years ending June 30, 1934, 1935, 1936, and 1937, or

during the first term of President Roosevelt's administration, we have actually spent \$1,865,164,048 more than it cost to run this Government from the first day of George Washington's first term of office down to the World War. We are amazed to learn that Congress has appropriated and authorized to be appropriated during these 6 fiscal years of the present administration a sum that equals 43.8 percent of the cost of operating this Government during the 144-year period above referred to, including the cost of the five wars and other items mentioned herein. We are amazed to learn that Congress in 6 years has appropriated or authorized to be appropriated a sum that equals 43.7 percent of the assessed valuation of every piece of real and personal property placed on the assessment rolls by the local assessing officers in the 48 States as that valuation was fixed in 1935.

I do not care whether you are a Democrat, Republican, or Progressive. I believe I have a right to assume that you are an American first. As an American, how long do you think this Government can continue to appropriate and authorize each 6 years a sum that equals nearly 44 percent of the expenditures of the Government covering the period of 144 years, including the cost of the World War and four other wars?

How long do you think this Government can continue to appropriate each 4 years a sum of money that exceeds the expenditures of government from George Washington down to the World War? As an American, how long do you think this Government can keep on spending and authorizing expenditures in 6 years of a sum of money that equals nearly 44 percent of the assessed valuation of every piece of real and personal property placed on the assessment rolls by the local assessing officers of the 48 States? Are we going to continue spending at the same rate during the next 6 years that we have during the past 6 years, and find at the end of the 12-year period that we have spent a sum equaling 90 percent of the assessed valuation of the Nation?

If the stopping point has not yet been reached, just where is the stopping point? In the face of the production chart issued by the Governors of the Federal Reserve System, what do you think is the remedy for the depression—drastic economy, reduction of taxation, encouragement to business as outlined and endorsed by both the Republican and Democratic Parties in their conventions of 1932 and which in 4 months increased production 40 points, or an unlimited spending program outlined and endorsed by the Socialist platform of 1932 which in 1933 was substituted by the President and the Democratic leadership for the Democratic platform of 1932?

Abraham Lincoln once asked a friend, "If you called a lamb's tail a leg, how many legs would a lamb have?"

The friend answered, "Five."

Lincoln replied, "No. The lamb would still have four legs and one tail. Calling the tail a leg would not make it so."

You can call this bill a recovery bill if you want to, but calling it a recovery bill does not make it one. The fact that the administration is calling this bill a recovery bill is a frank confession of failure. After giving the patient pump-priming medicine to the tune of \$40,000,000,000 during the past 5 years, the President now frankly confesses that this medicine has failed to cure the patient; that the depression is still with us and that we have more unemployed than we had in 1932. The only remedy, however, he has to offer for this Roosevelt depression is the same pump-priming medicine which he confesses has failed after 5 years' trial.

WE HAVE NO MOSES TO LEAD US OUT OF THE WILDERNESS

We have no Moses to lead us out of the wilderness of the Roosevelt depression of 1937. I do not believe that any one man within himself has the power or ability to solve all the intricate problems of the present times. I am firmly convinced, however, that there is only one answer to the problem. There is only one permanent solution and that is abandon the Socialist platform of 1932 and go back to the remedy advocated by both the Republican and the Demo-

cratic platforms of that year—drastic economy, pay as you go, doing without many of the things we did without then and can do without again by a little self-sacrifice. Give business a chance. That policy worked wonderfully well from March to July 1933 and will work again if given a chance.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. SIROVICH. Mr. Chairman, will the gentleman now yield?

Mr. ENGEL. I yield for a question.

Mr. SIROVICH. My distinguished friend has made a most interesting contribution. However, I interpret this chart in a manner absolutely different from the way the gentleman interprets it.

Mr. ENGEL. I yielded for a question.

Mr. SIROVICH. According to the chart you have exhibited to the membership of this House, it shows during the years 1920 to 1928 a fluctuation in industrial production in the administrations of Presidents Harding and Coolidge. From 1928 until 1932, the administration of President Hoover, a sharp remission is shown in your chart, where industrial production falls from almost 140 percent to 57 percent. This sharp decline is due, in my humble opinion, to the tragic era of *laissez faire* toward big business that symbolizes the Harding, Coolidge, and Hoover administrations.

In 1933, when Roosevelt was inducted into office as President of the United States, the economic organism of our Nation was in a state of financial and industrial collapse, due to the fact that 12,000 banks had been closed, and economic fear obsessed the commercial and industrial organizations of the Nation. The moment Roosevelt requested Congress to assist banks, life-insurance companies, and railroads through the medium of billions of dollars loaned by the R. F. C., industrial production began to rise on your chart. However, when the banks found themselves in a liquid state due to the assistance of the Government, they refused to extend credit and loan money to business and industry and your chart shows another remission in industrial production. It was at that time that Congress appropriated \$5,000,000,000 for the W. P. A., P. W. A., and countless other agencies to assist 20,000,000 unemployed. It was due to this heroic treatment, this economic blood transfusion to business and industry, that made the industrial production rise on your chart and it continued to do so until the spring of 1937, when Congressman TABER and other men who think along his economic terms on our side of the House cut the appropriation to \$1,000,000,000 for W. P. A. and P. W. A. and other agencies, which was instrumental in discharging millions from relief rolls of our country who were unable to be absorbed by private industry and, therefore, lost their consuming and purchasing power, which brought about, according to your chart, the great decline that began in September 1937 and which has continued up to the present time.

It is my humble opinion that if we pass this appropriation of \$3,000,000,000 to aid the P. W. A. and W. P. A. so that the distinguished Secretary of the Interior, Harold Ickes, can continue to do the fine and splendid work that he did before, with his great vision and constructive statesmanship, in reviving business and industry, aided and abetted by Harry Hopkins, who has literally worn away his health and strength through the fine work of the W. P. A., prosperity will again be restored and industrial production go higher than ever before in the history of our country, to bring happiness, concord, and tranquility to the hearth, home, and fireside of our American people.

Mr. ENGEL. Well, let us see whether that is true or not. In 1934 we appropriated \$7,692,000,000 plus. In 1935 we appropriated \$7,526,000,000, and despite that fact industrial production went up. On July 1, 1933, to which the gentleman refers, the banks were not opened. A vast majority of the banks were still closed. The RECORD shows that during

the period to which the gentleman refers in 1935 we appropriated less money than any time during the 6-year period.

Mr. SIROVICH. That is my contention.

Mr. ENGEL. But industrial production went up when we economized.

Mr. SIROVICH. The gentleman said they appropriated the least amount of money.

Mr. ENGEL. I am not yielding further. Let me answer the gentleman. Up to this point we had not appropriated anything at all.

Mr. SIROVICH. That is right.

Mr. ENGEL. As we started appropriating during the latter part of 1933, and later enacted the N. R. A. and the A. A. A. into law, industrial production went down. So long as we followed the program of economy industrial production went up.

The chart shows that from July 1932 to November 1932, under President Hoover, industrial production definitely increased nine points and we were started on the way to recovery. In the interim between the election and the inauguration of Mr. Roosevelt it will be recalled that Mr. Hoover asked Mr. Roosevelt to cooperate in following any policy he, Mr. Roosevelt, wanted to follow. Mr. Roosevelt responded by telling Mr. Hoover, "That's your baby." From then on industrial production went down.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ENGEL. In spite of all appropriations made from July 1933, then on until January 31, 1936, we never reached that July 1933 high point again until January 1936, or 2½ years later, and you cannot interpret it in any other way.

Mr. SIROVICH. But it takes a year for production, consumption, distribution, and exchange to take place, therefore the interpretation that my distinguished friend gives does not correspond to the fluctuations of his chart.

Mr. ENGEL. Last year you spent \$9,356,000,000, almost two billion more than in 1933 when this progress was under way. You cannot explain that away.

Mr. SIROVICH. We can if you will permit us to interpret your chart from an impartial standpoint, instead of partisan prejudice.

Mr. ENGEL. I yield now to the gentleman from Indiana.

Mr. PETTENGILL. Mr. Chairman, the gentleman is entirely correct. We had this splendid recovery in 1933 without any pump priming, because the pump priming did not begin until the end of 1933. So we had business recovery without pump priming. Another fact is that with the decision of the United States Supreme Court in May 1935, we had the first sustained long recovery outside of 1933, and that went on until February 1937, when the President attacked the Supreme Court and led the American people to believe that there would be a profound change in our institutions. Is not that correct?

Mr. ENGEL. Certainly it is correct.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. CRAWFORD. With this highly intelligent presentation, which shows a lot of research, I think we should put one other related factor into the discussion and that is this. Industrial production and the income of farmers never fail to run neck and neck. The important thing is not that there is a relation between the two, but that they are always running neck and neck, cheek by cheek, shoulder by shoulder. That chart is also a most complete illustration of the rise and fall, gradual and abrupt, of the income of the American farmer. In the last few months his income has dropped as tragically as the lowest line on that chart on the extreme right-hand side.

Mr. ENGEL. I thank the gentleman and yield back the remainder of my time. [Applause.]

The tables referred to by Mr. ENGEL are as follows:

TABLE I.—Statement showing total expenditures of U. S. Government, year by year, from 1789 down to 1937. Also shows separately expenditures of War Department (including rivers and harbors), Navy Department, interest on public debt, pensions (excluding World War veterans), and Indian affairs. (World War veterans' pensions are included in total expenditures, but not under item of pensions. Separate statement will give this information)

Year	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1789-91	\$4,345,424	\$632,804	\$570	\$2,349,437	\$175,814	\$27,000
1792	5,134,062	1,100,702	53	3,201,628	109,243	13,649
1793	4,554,352	1,130,249		2,772,242	80,088	27,283
1794	7,080,811	2,639,098	61,409	3,490,293	81,399	13,042
1795	7,657,702	2,480,910	410,562	3,189,151	68,673	23,476
1796	5,858,557	1,260,264	274,784	3,195,055	100,844	113,564
1797	6,283,748	1,039,403	382,632	3,300,043	92,257	62,396
1798	7,855,588	2,009,522	1,381,348	3,053,281	104,845	16,470
1799	9,854,492	2,466,947	2,858,082	3,186,288	95,444	20,302
1800	11,000,069	2,560,879	3,448,716	3,374,705	64,131	31
1801	9,649,733	1,672,944	2,111,424	4,412,913	73,533	9,000
1802	8,144,034	1,179,148	915,562	4,125,039	85,440	94,000
1803	8,174,017	822,056	1,215,231	3,848,328	62,902	60,000
1804	9,056,944	875,424	1,180,833	4,266,583	80,093	116,500
1805	10,883,601	712,781	1,597,500	4,148,999	81,855	196,500
1806	10,220,850	1,224,355	1,649,641	3,723,408	81,876	234,200
1807	8,805,036	1,288,686	1,722,064	3,369,578	70,500	205,425
1808	10,395,320	2,900,834	1,884,068	3,428,153	82,576	213,575
1809	10,778,760	3,345,772	2,427,759	2,866,075	87,834	337,504
1810	8,652,479	2,294,324	1,654,244	2,845,428	83,744	177,625
1811	8,557,435	2,032,828	1,965,566	2,465,733	75,044	151,875
1812	20,820,936	11,817,798	3,959,365	2,451,273	91,402	277,845
1813	32,362,863	19,652,013	6,446,600	3,599,455	86,990	167,358
1814	35,448,052	20,350,807	7,311,291	4,593,239	90,164	167,395
1815	33,456,290	14,791,294	8,660,000	5,754,569	69,656	530,750
1816	31,390,713	16,012,097	3,908,278	7,213,259	188,804	274,512
1817	22,760,335	8,004,237	3,314,598	6,389,210	297,374	319,464
1818	20,860,933	5,622,715	2,953,695	6,010,447	890,720	505,704
1819	22,581,671	6,596,300	3,847,640	5,163,538	2,415,940	453,181
1820	19,421,553	2,630,392	4,387,990	5,126,097	3,208,376	315,750
1821	16,976,234	4,461,292	3,319,243	5,087,274	242,817	477,005
1822	16,167,792	3,111,981	2,224,459	5,172,578	1,948,199	575,007
1823	15,863,835	3,096,924	2,503,766	4,922,055	1,780,589	380,782
1824	21,514,727	3,340,940	2,904,582	4,996,562	1,499,327	429,988
1825	17,086,272	3,659,914	3,049,084	4,366,769	1,308,811	724,106
Total, 1789 to 1825	499,668,210	158,632,628	85,935,579	141,465,816	15,957,304	7,722,264
1826	18,402,509	3,943,194	4,218,902	3,073,481	1,556,594	743,448
1827	17,609,127	3,938,978	4,263,877	3,486,072	976,139	760,625
1828	18,084,788	4,145,545	3,918,786	3,098,801	850,574	705,084
1829	16,985,465	4,724,291	3,308,745	2,542,843	949,594	576,345
1830	17,075,774	4,767,129	3,239,429	1,913,533	1,363,297	622,762
1831	17,183,773	4,841,836	3,856,183	1,383,833	1,170,665	630,738
1832	19,555,121	5,446,035	3,956,370	772,562	1,184,422	1,352,420
1833	25,947,966	6,704,019	3,901,357	303,797	4,389,152	1,802,981
1834	21,538,174	5,696,189	3,956,260	202,153	3,364,285	1,003,853
1835	20,330,163	5,759,157	3,864,939	57,863	1,954,711	1,706,444
1836	33,709,930	12,169,227	5,807,718		2,882,798	4,615,141
1837	40,531,815	12,682,734	6,646,915		2,672,162	4,348,076
1838	38,295,721	12,897,224	6,131,596	14,997	2,156,086	5,504,191
1839	31,535,664	8,916,996	6,182,294	309,843	3,142,884	2,525,917
1840	29,035,815	7,097,070	6,113,897	174,568	2,603,950	2,331,795
1841	30,657,903	8,805,565	6,001,077	284,978	2,388,496	2,694,063
1842	30,823,127	6,611,887	8,397,243	773,550	1,379,409	1,201,052
1843	16,211,616	2,957,300	3,727,711	529,595	843,323	581,680
1844	26,636,199	5,179,220	6,498,189	1,833,897	2,030,598	1,179,279
1845	27,264,100	5,752,644	6,297,245	1,040,032	2,396,642	1,540,817
1846	31,077,211	10,792,867	6,454,947	842,723	1,810,371	1,021,461
1847	60,826,241	38,305,520	7,000,636	1,119,215	1,747,917	1,470,306
1848	49,735,464	25,501,963	9,408,476	2,390,825	1,211,270	1,221,792
1849	49,529,321	14,852,966	9,786,706	3,565,578	1,330,010	1,373,119
1850	44,756,737	9,400,239	7,904,709	3,782,331	1,870,292	1,665,802
1851	53,987,727	11,811,703	9,065,931	3,696,721	2,290,278	2,895,700
1852	50,261,025	8,225,247	8,952,801	4,000,208	2,403,953	2,980,403
1853	54,013,450	9,947,291	10,918,781	3,665,833	1,777,871	3,905,745
1854	63,445,802	11,733,629	10,798,586	3,071,017	1,237,879	1,553,031
1855	66,632,846	14,773,826	13,312,024	2,314,375	1,450,153	2,792,552
1856	76,779,776	16,948,197	14,091,781	1,953,822	1,298,209	2,769,430
1857	75,686,495	19,261,774	12,747,977	1,678,265	1,312,043	4,267,543
1858	82,157,984	25,485,383	19,984,551	1,567,056	1,217,488	4,926,739
1859	75,719,931	23,243,823	14,642,090	2,638,464	1,220,378	3,625,027
1860	72,411,659	16,409,757	11,514,965	3,177,315	1,102,926	2,949,191
1861	74,977,013	22,981,150	12,420,888	4,000,174	1,036,064	2,841,358
1862	482,326,056	394,368,407	42,668,277	13,190,325	853,095	2,273,224
1863	725,297,826	599,298,601	63,221,964	24,729,347	1,078,991	3,154,357
1864	877,165,731	690,791,643	85,725,995	53,685,422	4,983,924	2,629,850
1865	1,310,944,133	1,031,323,361	122,612,945	77,397,712	16,338,811	5,116,837
1866	536,130,254	284,449,702	43,324,118	133,067,742	15,605,352	3,247,065
1867	373,235,387	95,224,415	31,034,011	143,781,592	20,936,582	4,642,532
1868	396,125,042	123,246,648	25,775,503	140,424,046	23,782,387	4,100,682
1869	341,147,681	78,501,991	20,000,758	130,694,243	28,476,622	7,042,923
1870	328,786,373	57,655,676	21,780,230	129,235,498	28,340,202	3,407,938
1871	311,441,736	35,799,992	19,431,027	125,576,566	34,443,895	7,426,997
1872	299,007,483	35,372,157	21,240,810	117,357,840	28,533,403	7,061,729
1873	313,980,404	46,323,138	23,526,257	104,750,688	29,359,427	7,951,705
1874	330,148,808	42,313,927	30,932,587	107,119,815	29,038,415	6,692,462
1875	301,623,381	41,120,646	21,497,626	103,093,545	29,456,216	8,384,657
1876	293,299,996	38,070,889	18,963,310	100,243,271	28,257,540	5,966,558
Total, 1826 to 1876	9,036,240,411	4,007,573,268	865,879,910	1,570,532,303	384,267,631	157,987,943

1843 and after given on fiscal instead of calendar year basis.

TABLE I.—Statement showing total expenditures of U. S. Government, year by year, from 1789 down to 1937. Also shows separately expenditures of War Department (including rivers and harbors), Navy Department, interest on public debt, pensions (excluding World War veterans), and Indian affairs. (World War veterans' pensions are included in total expenditures, but not under item of pensions. Separate statement will give this information).—Continued

Year	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1877	\$268,823,077	\$37,082,730	\$14,959,935	\$97,124,512	\$27,963,752	\$5,277,007
1878	265,393,479	32,154,148	17,865,301	102,500,875	27,137,019	4,629,280
1879	295,632,276	40,425,661	15,125,127	106,327,949	35,121,482	5,206,109
1880	301,109,391	38,116,916	13,536,985	95,757,595	56,777,175	5,945,457
1881	296,424,606	40,466,461	15,086,672	82,508,741	50,059,280	6,514,161
1882	298,603,927	43,570,494	15,032,046	71,077,207	61,345,194	9,736,748
1883	308,660,975	48,911,383	15,283,437	59,160,131	66,012,574	7,362,591
1884	291,359,260	39,429,603	17,292,601	54,578,379	55,429,228	6,475,999
1885	305,735,540	42,670,578	16,021,080	51,386,256	56,102,298	6,552,495
1886	285,306,405	34,324,153	13,907,888	50,580,146	63,404,894	6,099,158
1887	314,413,562	38,561,026	15,141,127	47,741,577	75,029,102	6,194,523
1888	321,336,407	38,522,436	16,926,438	44,715,007	80,288,509	6,249,308
1889	357,764,774	44,435,271	21,378,809	41,001,484	87,624,779	6,892,208
1890	377,448,536	44,582,838	22,006,206	36,099,284	106,936,855	6,708,047
1891	434,114,528	48,720,065	26,113,896	37,547,135	124,415,951	8,527,460
1892	418,013,293	46,895,456	29,174,139	23,378,116	134,583,053	11,150,578
1893	459,144,880	49,641,773	30,136,084	27,294,392	159,337,558	13,345,347
1894	444,333,275	54,567,930	31,701,294	27,841,406	141,177,285	10,293,482
1895	432,392,326	51,804,759	28,797,796	30,978,030	141,395,229	9,939,754
1896	433,822,856	50,830,921	27,147,732	35,385,029	139,434,001	12,165,528
1897	448,721,995	48,950,268	34,561,546	37,791,110	141,053,165	13,016,802
1898	530,931,713	91,992,000	58,823,985	37,585,056	147,452,360	10,994,668
1899	698,512,129	229,841,254	63,942,104	39,896,925	139,394,929	12,805,711
1900	621,395,005	134,774,768	55,953,078	40,160,333	140,877,316	10,175,107
1901	635,274,877	144,615,697	60,506,978	32,342,979	139,323,622	10,896,073
1902	607,641,313	112,272,216	67,803,128	29,108,045	138,488,500	10,049,585
1903	653,048,628	118,629,506	82,618,034	28,556,349	138,425,646	12,935,168
1904	729,552,763	165,199,911	102,956,102	24,646,490	142,559,296	10,438,350
1905	719,634,629	126,033,894	117,550,308	24,590,944	141,773,965	14,236,074
1906	736,004,709	137,326,066	110,474,264	24,308,576	141,034,562	12,746,859
1907	761,776,496	149,775,084	97,128,469	24,481,158	139,309,514	15,163,608
1908	854,097,221	175,840,453	118,037,097	21,426,138	153,892,467	14,579,756
1909	895,284,977	192,486,904	115,546,011	21,803,836	161,710,367	15,694,618
1910	915,131,593	189,823,379	123,173,717	21,342,979	160,696,612	18,504,132
1911	928,862,217	197,199,491	119,937,644	21,311,334	157,980,575	20,933,869
1912	936,842,678	184,122,793	135,591,956	22,616,300	153,590,456	20,134,840
1913	985,593,469	202,128,711	133,262,862	22,899,108	175,085,450	20,306,159
1914	1,018,639,534	208,349,746	139,682,186	22,863,957	173,440,231	20,215,076
1915	1,052,531,683	202,160,134	141,835,654	22,902,897	164,387,942	22,130,351
1916	1,034,784,655	183,176,439	153,853,567	22,900,869	159,302,351	17,570,284
Total, 1877 to 1916	22,674,695,657	4,060,534,321	2,435,973,283	1,665,407,614	5,259,907,638	458,792,339
1917	2,297,571,655	377,940,870	239,632,757	24,742,702	160,318,406	30,598,093
1918	13,020,464,799	4,869,955,286	1,278,840,487	186,743,277	181,137,754	30,888,400
1919	18,885,055,468	9,009,075,789	2,002,310,785	619,215,569	221,614,781	34,593,257
1920	6,900,697,632	1,621,953,095	736,021,456	1,020,251,622	213,344,204	40,516,832
1921	6,027,715,680	1,118,076,423	650,373,836	999,144,731	260,611,416	41,470,808
1922	4,276,618,506	457,756,139	476,775,194	991,000,759	252,576,848	38,500,413
1923	4,221,844,234	397,050,596	333,201,362	1,055,923,690	264,147,869	45,142,763
1924	4,081,451,620	367,016,878	332,249,137	940,602,913	228,261,555	40,754,026
1925	4,145,763,167	370,980,708	346,142,001	881,806,662	218,321,424	38,755,457
1926	4,225,273,564	364,059,945	312,743,410	831,937,700	207,189,622	48,442,120
1927	4,180,949,518	369,114,122	318,909,096	787,019,578	230,556,065	36,791,649
1928	4,357,194,690	400,689,683	331,335,492	731,764,476	226,401,462	36,690,808
1929	4,536,172,200	425,947,194	364,561,544	678,330,400	229,781,079	34,086,580
1930	4,706,138,122	464,853,515	374,165,639	656,347,613	230,605,931	32,066,628
1931	4,748,483,672	478,418,974	354,071,004	611,559,704	234,402,722	26,778,585
1932	5,744,491,088	477,449,816	357,617,834	599,276,631	232,521,292	26,125,092
1933	5,725,570,601	449,395,013	349,561,925	689,866,106	234,990,427	22,722,347
Total, 1917 to 1933	102,011,465,806	21,970,064,046	9,158,512,959	12,310,033,133	3,819,765,857	611,227,581
1934	7,683,813,790	408,894,976	297,029,291	756,617,127	319,322,342	23,372,905
1935	8,008,458,014	489,155,454	436,447,860	820,926,353	373,804,501	27,918,890
1936	9,547,419,077	618,919,108	529,031,666	749,396,802	399,065,694	28,875,773
1937	8,836,077,445	628,348,231	556,884,449	866,384,331	396,047,400	36,933,148
Total, 1934 to 1937	34,075,768,326	2,145,317,769	1,819,393,266	3,193,324,613	1,488,239,937	117,100,725

TABLE II.—Summary showing total expenditures of U. S. Government, by periods, from 1789 to 1937

Years	Total ordinary (including postal) expenditures	War Department (including rivers and harbors)	Navy Department	Interest on public debt	Pensions	Indian affairs
1789 to 1825	\$499,668,210	\$153,632,628	\$85,935,579	\$141,465,816	\$15,957,304	\$7,722,264
1789 to 1876	9,535,908,621	4,166,205,896	951,815,489	1,711,998,119	400,214,935	165,710,207
1789 to 1912	28,119,054,937					
1789 to 1916	32,210,604,278	8,226,740,217	3,387,788,772	3,377,405,733	5,660,122,573	624,502,546
1789 to 1933	134,222,069,584	80,196,804,263	12,546,301,731	15,687,438,866	9,479,888,430	1,235,730,127
1789 to 1937	168,297,837,910	32,342,122,032	14,365,694,997	18,880,763,479	10,968,128,367	1,352,830,852
1934 to 1937	34,075,768,326	2,145,317,769	1,819,393,266	3,193,324,613	1,488,239,937	117,100,725

TABLE III.—Principal public-works authorizations since 1933 remaining undischarged by appropriation after June 30, 1939, based on pending 1939 appropriations. Costs of some projects estimated from figures furnished in committee hearings; other costs taken from specific authorizations named in the laws

Navy building program (pending bill)-----	\$1,121,546,000	
Rural electrification-----	320,000,000	
Rivers and harbors and flood control-----	763,000,000	
Tennessee Valley Authority-----	275,000,000	
Public Roads (Department of Agriculture)-----	207,000,000	
Maritime Commission (undischarged contract authorization)-----	115,000,000	
Army and Navy public works (other than vessels)-----	37,000,000	
Reclamation projects, park projects, and Indian projects (not including Bonneville):		
Blue Ridge Parkway-----	\$6,818,400	
<sup>1</sup> 4,500,000		
<sup>2</sup> 2,500,000		
	13,818,400	
	34,300,000	20,481,600
Natchez Trace-----	1,331,685	
1,500,000		
1,500,000		
	4,331,685	
	23,500,000	19,168,315
Colorado River irrigation project--	<sup>1</sup> 500,000	
	<sup>2</sup> 700,000	
	1,200,000	
	10,000,000	8,800,000
Reindeer-----	35,500	
	50,000	
	85,500	
	2,000,000	1,914,500
Revolving loan fund-----	4,000,000	
	<sup>2</sup> 400,000	
	4,400,000	
	12,000,000	7,600,000
Arizona; Gila-----		15,850,000
Salt River-----		330,200
Colorado Big Thompson-----	\$44,000,000	
	900,000	
		43,100,000
Pine River-----	500,000	
	1,000,000	
	1,500,000	
	3,000,000	1,500,000
Boise, Payette-----		3,397,000
Upper Snake-----		1,500,000
Sun River-----		795,000
Carlsbad-----		300,000
Caballo Dam and Elephant Butte-----		1,886,000
Dischutes, Oreg-----		7,250,000
Klamath-Tule Lake-----		720,000
Provo River-----	\$7,924,000	
	350,000	
		7,574,000
Yakima-Roza-----		8,915,000
Kendrick-----	\$5,143,000	
	250,000	
		5,393,000
Riverton-----		3,623,000
Shoshone-----		3,100,000
Central Valley-----		137,400,000
Colorado River-----		170,000
Columbia Basin-----	\$68,800,000	
	13,000,000	
	81,800,000	
	186,000,000	104,200,000
		208,250,000
Public buildings, Procurement Division-----	613,217,615	
	35,000,000	
		3,486,763,615

<sup>1</sup> 1938.<sup>2</sup> 1939.

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, these remarks are very similar to a talk which I gave over the Mutual network last evening.

To decide intelligently on the proposed recovery lending and spending program, we might well review how we emerged from the last few panics and glance at present conditions, both foreign and domestic, to discover, if possible, any other avenue of relief.

In 138 years we have had 14 major panics, plus 9 depressions. The first of the last five disturbances began in 1892 and finally disappeared with the Spanish-American War expenditures and the gold flood from Alaska. The one in 1907 is a mystery both as to cause and termination. The 1913 panic vanished in tremendous World War purchases; the one in 1920 disappeared in a \$13,000,000,000 foreign loan to finance more foreign purchases. The panic in 1929, after 4 years of inactivity, disappeared in a \$14,000,000,000 spending program.

The thirteen billions spent in the twenties were originally largely private loans which permanently improved foreign countries. Our recent fourteen billions were wholly public funds, which created permanent domestic assets.

Thus we discover that economic disturbances occur in cycles of 7 to 10 years regardless of political control; that the present one is on scheduled time; that four of the last five panics were relieved by extensive spending, and that the two most devastating ones followed a long delay between the beginning of the panic and the initiation of spending.

Those who now urge us to try a third no-spending experiment tell us that our present difficulties are due entirely to unwise regulatory laws, huge spending, and subservience to labor. Let us examine the basis for this accusation. One of these regulatory laws controls banking. Where now are the crashing banks of the twenties, where the mobs of frantic depositors with billions of lost savings.

Another regulatory law has produced that allegedly terrible regimentation of agriculture. Compare agricultural prices now with those of 1929, or look at the ratio of agricultural with industrial prices in the two periods and you will discover that instead of agriculture leading us into bankruptcy, as it did 8 years ago, it is now preserving solvency.

We have also regulated holding companies and stock manipulations. The Ponzis and Insulls are no longer front-page news. Investors now have a chance to learn pertinent facts, and they know that new issues at least represent real value. In the recent sharp market decline there was much gloom but no panic such as in 1929. Look as you please, wherever Government has really regulated you find no signs of panic except among those who prefer loaded dice.

Is it possible that the germ of panic lies in affording human beings partial security against unemployment and old-age poverty? Or in the Tennessee power development to promote national defense and conservation? Since this development power rates throughout the United States have decreased \$50,000,000 annually. If there is any panic here it is not in the hearts of consumers.

Government spending is criticized. This administration did not spend for mere pleasure; it had no alternative. With Communist mobs on the Capitol Plaza, with hunger crusaders everywhere, and with the "silver shirts" drilling, the stage was set for bloodshed. That setting can and will be easily reconstructed for any administration that turns it back on need. Doubtless mistakes and waste have occurred. But does the record of prior administrations indicate that they would have been wholly free of mistakes or perhaps worse?

The net result of recent spending is far less shocking than our panic-mongers indicate. At Roosevelt's inauguration our gross debt was nearly \$21,000,000,000. But there was then cash on hand and corporate holdings worth two and three-quarter billions, leaving a net debt of eighteen and one-fourth billions. Today our gross debt is thirty-seven and one-half billions. But we now have a stabilization fund of two billions, plus cash and corporate holdings of six and one-half billions, leaving a present net debt of twenty-nine bil-

lions, of which ten and three-fourth billions was created under Roosevelt.

Two billions of that debt, however, paid the soldiers' bonus, a moral involvement of a prior administration. This payment was forced by a nonpartisan coalition over Roosevelt's veto. Therefore, the true Roosevelt debt, in all fairness, should be reduced to eight and three-fourth billion dollars.

Created by this indebtedness we have permanent public improvements most conservatively appraised at six and one-half billion dollars. Six and one-half billions salvage out of fourteen billions spent for relief is not so wonderful, but it is more than will ever be redeemed out of the thirteen billions spent in the twenties. Consequently, the net cost to our children of the entire Roosevelt program in 5 years of unprecedented flood, drought, tornado, and panic devastation is two and one-fourth billion dollars. These spending facts make a poor basis for panic, except to those who hope to use a panic to escape regulatory laws, reduce taxes, and frighten labor.

It is my opinion that this Congress is following an unwise policy in not materially increasing our income taxes in the brackets between \$5,000 and \$20,000. As compared to the tax burdens in foreign countries that group in the United States is almost untaxed, so far as income is concerned. If we do not take this or some similar step to bring our income in line with our expenses, our only other solution will be ultimate depreciation of currency. The French Republic gives us a fine example of this situation. The average Frenchman apparently would much rather see his capital disappear in devaluation of currency than pay a few extra sous in taxation.

Have the alleged excesses of labor created this panic? The proof is not convincing. We certainly all recall President Hoover's repeated boasts that his administration had been most free of strikes. The much-maligned Wagner Labor Act and the vilified Labor Relations Board did not then exist, yet the Hoover panic arrived. No one, I believe, would like to defend the recent conduct of labor in its entirety. Unauthorized strikes, purely jurisdictional strikes, seizure of utilities, and defiance of constituted leaders are hard to defend. However, human nature is very prone to abuse unaccustomed power. For decades labor was buffeted and exploited, not by a majority but by too many employers who themselves had uncontrolled power and abused it. For the first time labor has recently received a lawful break, and perhaps our criticism ought to be tempered with patience.

England had very similar experience and finally enacted the Labor Unions Act of 1927. Our solution may be entirely different, but certainly some reasonable experimentation ought to be allowed. Those who cry loudest for rugged individualism and the privilege of free experiment for themselves vehemently deny this privilege to those struggling with the problems of labor.

The same remark would apply to administration tax measures. In the twenties there were certainly few laws to disturb tax evaders. In fact, during that decade the Treasury, without any public hearing, actually refunded to a favored list over \$2,000,000,000 of taxes that had been collected under Wilson. In addition, a most indefensible tariff tax law made the life of those in the high-income brackets one long, sweet song. Yet, in spite of giving \$13,000,000,000 to foreigners, in spite of a strong antilabor administration, and a rich man's tax heaven, the panic of '29 came on scheduled time, just as has this one of '38.

Many New Deal laws have created irritation. Increased taxes are burdensome. Labor legislation has caused dissatisfaction. But those who attribute the panic to these laws and taxes would do well to look abroad and see everywhere the post-war industrial factors that have made drastic remedies and high taxes universally necessary. Perhaps they will conclude that it is the disease and not the medicine that is the cause of our trouble.

This disease arises out of a world-wide destruction of free competition by excise taxes, exchange pools, trade barriers,

gigantic corporate growths, labor organizations, professional guilds, multifarm cooperatives, and a host of other schemes, some commendable, some predatory. Classic principles of political economy are thus defied, and a great defenseless class driven outside the pale of normal economic laws.

The World War, like a great volcano, brought these submerged classes to the surface. They cried aloud for justice. Free governments generally proved helpless and dictatorships followed. Urging this Government, as a depression cure, to repeal our regulatory laws, while remaining silent about the retention of those individual practices that have already destroyed free competition, is just unadulterated piffle. The very leaders of this cry for restored individualism and free competition gave us our highest tariff and will be in the forefront fighting the proposed regulation of monopolies. We cannot ignore living economic facts in a pursuit of dead economic theory. Such a plea, with a tribute to our rugged pioneer ancestors and a tearful protest against a policy of scarcity, makes a rousing political speech, or a fine resolution for a chamber of commerce, but it does not make sense.

Most New Deal activities have created groups who feel themselves unjustly curbed. They hate Roosevelt, and only a Congressman's mail can reveal the bitterness of that hatred. By joining forces they have tremendous political power. Every President who has ever accomplished anything for the common weal has, toward the close of his administration, experienced this same vitriolic opposition. Lincoln became a tyrant, Wilson a despot, and now they cry "dictator."

Added to this group are the radical reformers, each of whom believes that wisdom will die with him and that he alone has the key to economic security. When the President rejected their divergent gospels they hated him as only fanatics can. Fanaticism and frustration cooperating for revenge, using a largely subservient press to spread falsehoods and half-truths, easily created a mob psychology of baseless fear. Combine this fear with a truly terrifying world situation and little was needed to start this panic.

Mr. BINDERUP. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Nebraska.

Mr. BINDERUP. The gentleman says that the 1937 depression was because of curtailed expenditures; yet the Federal Reserve banks say frankly and freely, I might almost say boastfully, through Mr. Eccles, that the depression of 1937 was deliberately planned because prices were going too high. In his public utterances Mr. Eccles has stated he deliberately planned that prices should come down in 1937.

Mr. HARLAN. I am not familiar with that statement of Mr. Eccles.

Mr. BINDERUP. Does the gentleman believe that the panic of 1920 was caused for any other reason than the fact that the bankers took \$10,000,000,000 out of circulation? Does the gentleman believe that the panic of 1929 was caused for any other reason than because the bankers took \$8,000,000,000 out of circulation and that it was planned as the 1937 panic was planned?

Mr. HARLAN. The gentleman has given so much more study to the banking situation than I that I cannot presume to answer his question.

League of Nations reports show that a sharp slump in world trade began in April of 1937 and that during that year world production dropped 17 points. Unfortunately, at this time we radically curtailed Federal expenditures. Unfortunately, also, since the destruction of the N. R. A., industry has no agency, as does agriculture, to fit production to demand. A commodity surplus developed, an industrial reversal set in, and the panic was on.

In view of these facts, to lay this depression at the door of regulatory laws, corporation taxes, or friendliness to labor, simply does not make sense. All of these factors were in full force during 1936 and some of them much earlier, yet 1937 was only second to 1929 in prosperity. The only new governmental act that coincided with the beginning of this depression was the curtailment of Federal expenditures. Industry, therefore, prospered under those laws, taxes, and

labor policy of which it complains, but it bogged down under too severe governmental economy, which it advised.

Recall also that in 1929 we suffered our worst panic when we had few regulatory laws, lax corporate taxation, no direct relief expenditure, and little sympathy with labor.

This depression has the common traits of most others. It came at the expected time. It followed swollen inventories, an overexpansion of credit, an orgy of human selfishness, and unfavorable world conditions. Its novel feature is the very obvious manufacture of panic psychology by those who like to play without rules, and pay taxes only when they get caught.

Its obvious cure lies in alleviating these conditions as much as possible. We need greater cooperation by industry with government, a little more honesty in the public press, much less venom from those who disagree politically with our President, possible amendment but preservation in principle of existing regulatory laws, reorganization of Government machinery, and tireless efforts to promote world trade, economic stability, and peace. If we cannot progress along these lines, no one but an economic quack can offer us hope for relief from periodic panics, except at the price of human liberty.

Meanwhile, however, let us not be confused as to panic causes nor stampeded into adopting remedies already repudiated by our experience. Let us remember that four of our last five panics disappeared in some form of a spending program. If such a program is not a cure, it is nevertheless our only known palliative. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY of Indiana. Mr. Chairman, the Republican Party in full control of the Government suffered the 1929 panic to come and after it came created the Farm Board to take the farm crops off of the market, and recommended farm-crop reduction under a program of want and scarcity at the expense of both the farmers and city consumers.

Then money-loan agencies were created to refinance railroads, banks, and big business on the theory that large financial institutions would pass prosperity on to the masses, but the money lodged and lingered in the first taker's hands. All proved fruitless and of no avail and the Hoover Administration was driven from the control of the Government.

By the same election and voice of the people a new Democratic administration and Congress was commissioned by the voters at the polls to remedy the 1929 depression left by the Republicans and to restore normal prosperity to the people, all of which was promised as an election pledge, and the country rested in full confidence and assurance.

But the Democratic administration and Congress have not only failed to remedy the 1929 depression, as promised and pledged to the people, but have suffered a relapse of recovery and another depression or panic to come upon the country. The two depressions are now merged into one panic, and both are continuing still without a remedy.

Both political parties in Congress are now without a prepared remedy to offer. Both are at the end of their legislative ropes; both are standing confused and helpless, looking for some magic cure, for some mysterious, supernatural agency to take the place of economic laws for recovery and supplant the logic of cause and effect.

Now that we must provide further relief there is a way to provide the money and provide for substantial relief and recovery, and the people can get full value received without adding to the \$15,000,000,000 debt and the ever-growing compound interest, which in time will make the debt double.

If the proper and rational remedy had been applied to relieve from the 1929 depression, this relapse or the 1937 depression would never have come, and no further public relief appropriations would have ever been called for. The panic would have been ended and private industry would have been restored.

But now this mistake can be overlooked if it can be used to teach a lesson and be the means of finding the proper remedy. We can proceed without further error with confidence and assurance in the future and without another relief appropriation made to come again at a later time.

With the 1929 panic or depression left still without a remedy and with the growing failure of employment, there must be relief provided to the people in full, ample, and sufficient amount to maintain them in comfort and without want until private industry can be restored.

We are in another so-called cycle depression, and millions of people are on the relief rolls; the army of the unemployed is recruited up to 14,000,000, and, no matter what may be our own theories of recovery from this depression, we are facing a serious condition of the people which must be met promptly with adequate relief.

As much as we may disagree regarding the necessity of the fifteen-billion debt and as much as we may be opposed to increasing the debt further, yet, if there was no other way open to us to provide relief for the army of unemployed and the suffering 20,000,000 destitute people, we would be compelled to vote for such an increase.

But there is another way to provide this relief for the suffering unemployed millions without increasing or adding to the interest debt. And one of these ways is open or available to us under this works and relief bill being considered and without the cost of a single dollar or to be a charge upon the Public Treasury.

The rural electrification program to carry electricity to the farmers of the country, the same as the people of the towns and cities, is the one governmental undertaking which is not costing the Government nor the taxpayers of the State or Nation a single cent directly or indirectly.

If this money were borrowed at 3½-percent interest and loaned to the farm cooperative organizations for the construction of electrical lines, the farmers would pay back to the Government every dollar of principal and interest and every cent of the cost of administration.

But the Government will not be required even to borrow the money for a time. We have the currency facilities to issue the money even for the whole amount of this appropriation, and instead of turning it over to the financiers and paying them 3½-percent interest for the use of our own money, the Government could loan it to the farmers for 1½-percent interest and all the interest collected go to the Public Treasury.

And to furnish the money to the farmers, instead of a cost to the Government, it would bring the Government a profit of 1½ percent. This would not require a single new law enacted, nor a single new board or agency provided, nor a single new office or public official, nor any new or different form of money for use.

All that remains for Congress to do is to command the officials already empowered to act to direct the functions and operations of existing governmental means and agencies; is to make a demand that these laws now be resorted to and the money will be immediately forthcoming.

The United States Supreme Court, the highest judicial tribunal in the land, has passed upon these laws on the statute books, empowering and authorizing the issue of legal-tender money, and has found them valid and in full force and effect.

The Government need not be required to make a gift or a donation of a single dollar of the money to be used. The farmers in building their electric lines in this way would not increase the public debt nor require a single dollar to be met from taxes.

The money loaned to the farm cooperatives for the construction of new electrical lines would be used in providing employment locally, in every community in the country, in digging holes and setting posts, and in hanging wires, and in 100 other ways provide work and employment to men.

And then when the lines were completed—and they would be built at once—the farmers would need electrical equip-

ment, many electrical equipments and utensils needed in use in the farm home, kitchen, and laundry, and for the hundreds of other farm-home operations which can be performed by electric power.

And the farmers in their daily farm operations would promptly need, order, and buy many farm electrical devices and machinery, such as water pumps, and wood saws, feed grinders, and motors for different farm machines and for the hundreds of other farm electrical operations which they need performed to compete with other producers.

The demand of farmers for electrical machinery would reach to every line of industry, to every factory, mill, and workshop, and would call for many thousand workmen to produce the electrical machinery, devices, and equipment needed; would start new factories in the land and would compel others to enlarge their plants.

There is no other expenditure of money which would produce such prompt results, and bring about the immediate employment by as many men in a given time, as the expenditures of money for rural electric lines. And all without any cost to the Government, and a saving of 2-percent interest to the farmers.

If this whole amount of \$5,000,000,000 which is to be appropriated for relief, but, for which we are not asking would be used for this purpose, it would take up the slack in employment; it would provide employment to the people and take them off the relief rolls and it would start prosperity moving everywhere.

Mr. RICH. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Chairman, because of the intimate knowledge the members of the committee have of the subject under consideration, I prefer not to deal in detail with the different subdivisions of this appropriation bill. I do wish to make some remarks which may be considered collateral, but I believe they are pertinent to the present debt situation.

The tremendous amount involved here today may be just an incident to the President of the United States and his financial advisers, but it is of great importance to citizens who think and toil. The financial solvency of a nation not only pertains to the present welfare of its people; financial solvency is probably the greatest instrument of preparedness and security. We thus are interested in the amount of our obligations. Today, throughout the world, we have a number of nations with warlike leaders, whose ambitions are checked only with empty treasuries. You will recall that Napoleon said there were three requisites for successfully carrying on a war. The first was money, the second was money, and the third was money. So, in considering this huge expenditure we should endeavor to weigh its relation not only to our economic welfare today, but also its direct bearing upon our ability to withstand aggression from without or attacks from within.

And, is it not pertinent to inquire, are all of these tremendous funds required at this time; or, being an election year, is this the customary Roosevelt basis for a coming campaign?

March 1, 1933, the Federal public debt was, in round figures, twenty billion dollars. Now, within 5 years, this same debt has reached the approximate figure of fifty billion dollars, a dead net loss of five or six billions per year, and I shall briefly analyze the different units of this total.

The Treasury statement issued May 7 gives the gross debt as \$37,477,163,361.37, which is the admitted or fixed liability of the Treasury. What about the other debts, either fixed or contingent? It is proper to call attention to the fact that the Treasury statement of the same date shows that our Treasury has on hand \$12,876,498,410.85 of gold. Of course, we all understand that this gold is marked up 41 points above the old world price; therefore, these two figures should be multiplied so as to ascertain the real value, which will show a mark-off of \$5,199,364,348.44, or approximately \$5,000,000,000, when and if we revalue or retrace, and undoubtedly this step will be taken, either with our permission, or through a concert of the principal nations of the world. So

there is a contingent \$5,000,000,000 that we do not take into consideration when we are talking about our gross public debt.

What about silver? Today the Treasury of the United States reports that we have on hand \$1,515,144,442.89 of silver, valued at \$1.29 per ounce; that the price of silver on the London market, which fixes the world price, on May 9 was 42½ cents per ounce, or slightly less than one-third of the value placed on silver held by our Treasury. So we are obliged to deduct two-thirds of the face value of the silver that is carried in our Treasury footings, which deduction amounts to a billion dollars. This real value is not considered when we talk about current Federal debts. If we add the five-billion mark-off in gold, plus one billion mark-off in silver, it shows we are carrying on our books gold and silver for \$6,000,000,000 more than the old world value of these metals, which might be added to the \$37,500,000,000, and this would make a national obligation of about \$43,500,000,000.

Are there other obligations? Well, at this session we have passed a naval bill that carries \$546,000,000 and also an appropriation for the Military Establishment of the Government of \$644,000,000, and just recently a conference committee agreed to a naval-building program which will amount to \$1,191,000,000. These are obligations which might be lightly mentioned when we are talking about other debts.

Then when we enter that vast indefinite field of liabilities of our Treasury, we should consider the excessive losses that will be occasioned to scores of Government corporations that are making loans of one character or another. The mark-off in these items will undoubtedly reach tremendous proportions. You will recall that only a few weeks ago we passed an act which permitted the Reconstruction Finance Corporation to mark off \$2,688,000,000 of worthless obligations. Reference to this huge item has not been included in a fireside chat.

Impartial surveys have been made of the resources of these Government corporations and, of course, there can be no definite fixation of the value of the same, but it is generally believed that the losses will equal one-half of the amount of the loans. This should be added to the totals I have mentioned. The amounts involve billions of dollars.

We have also outstanding commitments for many non-liquidating projects, which mean dead losses to the Treasury, such as unneeded public buildings and works, rivers and harbors, and a multitude of other activities of the Federal Government competing directly with private industry, the total of which has never been estimated.

So when we take into consideration these figures, the total must be, and is, appalling; but someone may say, "Oh, those debts are not fixed," but I undertake to reply that if any Member of this body went into a bank and sought to make a loan and said, "I owe this amount on a mortgage and another amount on a note," the banker would say, "Yes, but have you not contracted for certain expenditures to improve your home and to rebuild improvements on your farm and your place of business?" The borrower would be obliged to admit he had, and those amounts, even though unexpended, of course, would be added to the liabilities of the borrower, and would be considered by the banker in making the loan. What a fine thing it would be, Mr. Chairman, if we could have an honest, impartial, nonpolitical audit made of the outstanding obligations of the United States Government, so that you and I could more intelligently act when proposals come in here to expend further tremendous amounts.

Mr. GWYNNE. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. I yield to my colleague.

Mr. GWYNNE. Let me refer to page 19, paragraph (e) of the bill. Does the gentleman think that provision of the bill would have the effect of suspending the constitutional prohibition in our State against a debt above a certain amount?

Mr. THURSTON. I will say it is an extraordinary situation when the Federal Government comes in, and not

through innuendo but through a definite legislative provision, invites the States or their subdivisions to commit a fraud upon their own people. Here you say that in the event, due to constitutional limitations, any State, territory, or possession shall be unable to participate by way of a loan or grant because of such constitutional limitation, funds will be loaned to this city or unit of government when there is a definite and clear legislative or constitutional prohibition on the part of that State that a public official, or officials cannot contract a debt to exceed a certain limitation. Through subterfuge and nothing but plain collusive fraud, it is proposed here that these public officials can contract loans by making leases, and thereby through such duplicity avoid the legal inhibition which the constitution of their own State has written in order to try to safeguard such subdivision from extravagant officials.

[[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. THURSTON. And who would think that such a provision could be enforced in any court? Immediately the limitation of the State legislation would be called to the attention of the court and no court would force a repayment of this money. So, to strip away the subterfuge, States, or their subdivisions that have such an inhibition, are to be the recipients of a very generous gratuity on the part of the Federal Government.

Does that answer the gentleman's question?

Mr. GWYNNE. It does.

Mr. THURSTON. We are all familiar with the old fable that adding the last straw to the camel's back will be fatal to that animal. You and I, as Members of Congress, have a great responsibility, and today we are called upon to test that admonition; to meet that responsibility.

How much greater debt can our Nation create without bringing on a complete collapse, with a Federal debt staring us in the face of approximately \$50,000,000,000, and the States and their subdivisions now owing more than \$19,150,000,000, making the total public debts of this country almost \$70,000,000,000. May we not stop, look, and listen to ascertain if this further step may not prove to be one straw too many?

How humiliating it is to us on this side of the international boundary line to know that we have constantly and greatly increased our debt and then read press releases from the nation to the north of us, Canada, which report that they are getting along nicely and have not materially increased their public indebtedness in the last few years, and yet they lack many of the resources we have in this country. They are mostly an agricultural nation, whereas we have about all the metals and the oils and other requisites to make a well-balanced, almost self-contained nation; and yet with all of our resources and supposed intelligence we face this very, very unenviable comparison.

Recently the House of Representatives, in exercising its wisdom on the reorganization bill, refused to allow the President to audit his own expenditures, as was proposed, and the next day securities of all kinds increased in value. A left-handed compliment to the President. Why the increase? Doubtless this reflection was caused when the country felt that the Congress might again assume its proper legislative functions.

Letters composing the word "confidence" form the most important word in our country today. Will its implications be made more secure, or will it be undermined by our action on this bill?

It seems to me that we are facing a critical situation, not just in regard to this certain measure; but if we pass this, in view of what has transpired in the last 3 or 4 years, are we not in effect saying to the country that we expect from time to time to continue these excessive appropriations, no matter how much will be wasted, or what the outlook may be? We are interested in a joint enterprise. We are equal partners in this great country of ours, irrespective of political affiliations. I know that every Member of this body is deeply concerned about our future and he is

anxious to follow a course which will prove to be sound and reasonably safe; so should we not today stop and make a survey of this tremendous debt that we have, so that we can endeavor to visualize what will be the effect if we add materially to that amount?

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. THURSTON. For a short question.

Mr. WOODRUM. The gentleman has made a very interesting speech. I wish he would tell me whether he intends to vote for the bill or against it.

Mr. THURSTON. Against it, unless State supervision replaces the present political wasteful administration.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. LUECKE].

Mr. LUECKE of Michigan. Mr. Chairman, hardly a mail comes in that does not bring some letters for or against the bill before us. I may say also that none of those who write the letters are opposed to relief. They want relief of some kind but they do not want the present program. So I take it that those who do not want this program want the dole, and what does the dole amount to?

From the records of other nations that have had the dole, it averages about \$2.50 to \$3 a week. That is what the dole amounts to in Great Britain and what has been the result?

Not long ago the authorities of that country took it upon themselves to build up a larger Army and Navy, and they opened the doors of the recruiting stations and invited the young men and the unemployed to come in and join the Army and the Navy. And lo and behold, they found that four out of every five were undernourished and underweight. They found that 22,000,000 persons in Great Britain were undernourished and of course the authorities became alarmed, and they immediately established kitchens in every village and hamlet and city and they fed many people of the nation properly for the first time in many years. It had come to a point where they could not get soldiers for the Army and Navy who had the proper physical qualifications.

That is what the dole amounted to in that country. The issue here today is not whether we shall have relief of some kind or none at all, because we all agree that we have to have relief. The issue is, Shall we have a work program or a dole?

Great Britain is not the only Nation that has had that experience, and that was only about a year ago and it is still fresh in the news.

The same thing happened in Germany immediately after the war when that nation found itself with millions of unemployed. They too had a dole of about \$2.50 a week, and the authorities there found that malnutrition was rapidly undermining the nation's health, the present regime over there established a work program to get away from the dole.

I picked up a copy of the New York Times today and here is what I read, and it is an alarming thing:

#### TUBERCULOSIS IN 33 PERCENT ON ENTERING COLLEGE—REPORT TO AMERICAN YOUTH GROUP COVERS 56 INSTITUTIONS

More than a third of the new students at 56 colleges and universities which make tests for tuberculosis were found to be infected to some degree, according to a preliminary report to the American Youth Commission on a survey of the health of college students.

The report, presented to the commission at a meeting here today, with Owen D. Young presiding, covers a survey conducted in 551 institutions of higher learning by Dr. Harold S. Diehl, dean of medical sciences at the University of Minnesota, and Dr. Charles E. Shepard, director of the Men Students Health Service, Stanford University.

The report said that of the 551 institutions covered, only 101 had facilities for making necessary health tests, and of these only 56 give the tests as a matter of routine to new students.

"The problem of tuberculosis in college students is indeed significant if we are to find, as these studies indicate, that one-third of all students entering our colleges are already infected and if one student in almost every 200 examined will be found to have an adult lesion," said the report.

"The early discovery of tuberculosis in college students is of great importance to the student who is suffering from the disease, to his associates exposed to the infection, and to those who are investing in his education."

How has that come about? I can tell you. If the truth were known, it is safe to say that those students are coming from the homes of people who are unemployed. That is the result of malnutrition.

That is what has brought this thing about, and now there are some who would say, let us give these people \$3 a week instead of \$44 a month, such as they are now receiving from W. P. A. If this thing can happen under the Works Progress Administration and other public works, what will happen under the dole?

Every time a bill comes before this House which deals with war-making purposes, we hear the argument that it is cheap insurance at any rate, and we can pass a bill here of billions for war purposes, and we are told that it is cheap insurance.

I say to this Congress that a relief bill which will give the unemployed work and a respectable living is cheap insurance. You are not investing that money only in the people who are here today. You are investing that money in the next generation, and that is where the dividends will be paid and where they will flow from, not so much from this generation.

Is there a man in this House who would stand up and say that he would not invest a dollar in the children of the Nation, who would not invest a dollar in his own neighbor? I do not think you can find one. And yet when the problem of relief expenditures comes up on the floor immediately we are going into bankruptcy and ruin.

I will tell you how to ruin this country, and do a quick job of it: Do not provide for the unemployed. Disregard those in distress. Give them a dole of \$3 a week, and I will venture to say that in 6 months' time we shall be well on our way to ruin. It will not be safe to venture out after dark.

If this public-works program does not go through and we have to put our people on a dole, what is going to happen? What will happen if we ever put relief back upon the shoulders of the communities? They cannot handle this problem.

How easily I visualize what went on back in my own community in 1932. Between 300 and 400 men would gather on the steps of the city hall whenever the city council met; and those men had blood in their eyes, because at home there was want and destitution; but since we have had a public-works program, gatherings of that sort do not appear any more.

Laudable as the works program is, it still is not enough, it still does not solve the problem. There was on the floor a moment ago a chart which showed that industrial production in 1937 was back to the 1929 figure; yet last year with production within a few points of the 1929 peak, we still had 7,000,000 unemployed.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. CHURCH. Mr. Chairman, will the gentleman yield for a question?

Mr. LUECKE of Michigan. I yield.

Mr. CHURCH. Are not the students of whom the gentleman just spoke children of taxpayers?

Mr. LUECKE of Michigan. What difference does it make whether they are children of taxpayers or not?

Mr. CHURCH. The unemployed are not able to send their children to colleges.

Mr. LUECKE of Michigan. Oh, the National Youth Administration is sending children to college. I know in Michigan the National Youth Administration made it possible for thousands to further their education.

Mr. CHURCH. Will the gentleman yield further?

Mr. LUECKE of Michigan. I yield.

Mr. CHURCH. Is not the situation more apt to be that the taxpayers are becoming so poor they cannot afford to feed their children and send them to college, too?

Mr. LUECKE of Michigan. I am not talking about whose children they are. The fact still remains that one out of every three, according to this news article, is going to college underfed and undernourished to the point that they

are becoming tubercular. That is the thing which we should heed.

Getting back to the unemployment situation again, we had 7,000,000 unemployed in 1937 with production back to within a few points of what it was in 1929. What does this mean? It means that these 7,000,000 will be permanently unemployed unless we can get production about 20 points above the 1929 level. Not so long ago a Gallup poll showed that the people want public works and not a dole. Let us give it to them. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I have taken the trouble of preparing a summary of the Dies bill (H. R. 6391), which is being attacked through propaganda by certain groups upon the ground that it is going to open the doors to immigration and will not result in the deportation of the alien criminals in the country. I hope the Members of this House as well as of the other body will take the trouble to examine carefully my analysis of this legislation.

I submit, Mr. Chairman, that the bill that we passed in this House is legislation that is sorely needed in this country today. It has nothing to do with the opening of the doors to immigration. It has nothing to do with immigration or with the quota laws at all. It is primarily a bill to deport a lot of alien criminals whom we cannot now deport. On the other hand, it is designed to take care of a comparatively few persons in this country who have committed no crime, but whose records of entry cannot be verified. The propaganda that is being spread in this House and in the Senate is not only absolutely cruel and inhuman, but largely false, because the bill that passed the House by an overwhelming vote—176 to 33 against a motion to recommit—does not interfere at all with the present restrictive-quota plan of alien control.

The bill has now been favorably reported by the Senate Committee on Immigration and will shortly come up for action in the Senate.

This proposed legislation is an act to make certain adjustments in existing immigration laws as regards aliens already resident in the United States. As such it will be a valuable help to the Immigration Service in the enforcement of the law in seven particulars.

First. The most important improvement on present immigration practice contained in this act is embodied in section 2. This section authorizes the Secretary of Labor, in a numerically limited number of cases, to exercise discretion in permitting to remain in the United States aliens who have entered illegally but have proved good moral character and desirability, and who have either been in the country for 10 years or who have lived here for a shorter period but are closely related by blood or marriage to either American citizens or aliens lawfully admitted for permanent residence. The purpose of this section is to solve many cases where deportation is now mandatory on the ground of illegal entry but in which such deportation would work unjustifiable hardship on members of the alien's family or on his or her position in the community established by 10 years' residence. This discretion specifically may not be applied to any anarchist or subversive agitator, any violator of narcotic acts, or any criminal, prostitute, immoral person, or alien excludable under the terms of the 1917 act. One exception to the above exclusions is made in the case of aliens convicted of fraudulently securing visas or passports, because experience has shown that many aliens have illegally entered the United States with fraudulent papers through being the innocent dupes of racketeers, while others have made false statements through confusion or lack of appreciation of the seriousness of their misrepresentations. The discretion conferred on the Secretary of Labor will enable that official to discriminate as to the seriousness of such frauds in determining the good moral character specified in the bill as a prerequisite to the admission of such aliens to a status of legal permanent residence.

The Immigration and Naturalization Service is constantly confronted with so-called hardship cases where aliens of good character, firmly established in the United States and supporting families which often include American wives and children, must be driven out on account of technicalities involving their original entry. Such deportations cost money to the Government, bring much sorrow to innocent persons, and result in harsh treatment beyond anything justified by the merits of the cases.

The discretion allowed the Secretary of Labor is limited to 4 years and to 3,500 cases in the first year and 1,500 cases in each of the remaining 3 years. The experiment of allowing such discretion to a responsible and highly placed officer of the United States Government is good sound common sense and is fraught with no danger to intelligent immigration practice.

Second. Section 1 of this act will broaden the basis of deportation of alien criminals. At present the Immigration Service can only deport criminals who have been convicted of a crime prior to entry, or who within 5 years after entry commit a crime resulting in a sentence of at least 1 year's imprisonment, or who have proved themselves habitual criminals. Under this new law there will be added to the above classes any alien against whom the Immigration Service may issue a warrant of deportation because of a crime committed within 5 years prior to the date thereof which has resulted in a sentence of 6 months' imprisonment, but with no option of paying a fine instead; also any alien convicted of the crime of possessing or carrying firearms, or of violating State narcotic laws, or of smuggling other aliens into this country. This widening of the basis of deporting aliens who have proved themselves undesirable by criminal activities will strengthen our ability to get rid of bad elements among the foreign-born. Because these new provisions, as applying to (1) petty offenders within the scope of subsection 1 of this section; (2) firearms carriers within subsection 2; and (3) alien smugglers within subsection 4, may in a few cases work hardship on aliens of essentially good character, whose infraction of the law may have been of a technical or unimportant nature, the discretion of the Secretary of Labor, in section 2 of the act, to allow aliens of good moral character to remain in the country, is specifically extended for the possible inclusion of such cases.

Third. Prompter issuance of warrants for the arrest of aliens believed to be subject to deportation is made possible by section 3. The Immigration Service often loses contact with deportable aliens while applying to Washington for warrants, under the present practice.

Fourth. Section 6 terminates an undesirable preference given to agricultural laborers by the Quota Act of 1924.

Fifth. Section 7 eliminates a technicality of the present law which causes the Immigration Service much trouble. Under the present law an alien legally resident in this country who even steps across the Canadian or Mexican boundary line is legally considered to have made a new entry into this country when he steps back. The date of the alien's last entry into this country often determines his status, and the Immigration Service now finds itself embarrassed in many cases by new entries into this country where there has been no intentional departure. This section has no application except to legally admitted immigrants of good moral character.

Sixth. Section 8—of the bill as amended by the Senate committee—enables the Immigration Service to legalize the entry into this country of aliens of good character who entered between June 3, 1921, and July 1, 1924, and in whose cases no record of admission for permanent residence can be located. Under existing law this can now be done as to those entering prior to June 3, 1921. The immigration law which went into effect on July 1, 1924, established an improved system of keeping immigration records; before that date the records were badly maintained and the exact status of many aliens was impossible to determine. Some of these aliens are forced to leave the country through no fault of their own but because of the inadequacy of the records. This section corrects that situation.

Seventh. Section 10—of the bill as amended by the Senate committee—permits the legalization of the immigrant status of a limited number of novitiates of religious orders who were legally admitted as visitors prior to January 1, 1937.

The other sections of the bill merely enlarge upon the above purposes.

It should be noted that—

(a) The bill does not permit or authorize the entry into this country of any alien not already here, nor by legalizing the position of aliens who have entered illegally does it numerically increase quota immigration into this country, either past or future; because under section 9 all such persons are charged to existing quotas.

(b) It is not an amnesty bill—as certain citizens hostile to its passage falsely claim—for it specifically does not permit the continuance in this country of any alien not possessing good moral character.

(c) It does not modify existing law a single iota insofar as the deportation of criminals is concerned, but on the contrary provides for the deportation of additional classes of criminals by the provisions of section 1.

A great many uninformed or misleading statements have been made in opposition to this act, which Senators, taking the time to read its provisions, will find to be entirely without grounds.

To summarize, this bill in a number of ways improves the administration of the immigration laws; it will legalize the status of alien breadwinners who are supporting American-citizen wives and American-citizen children, and whose expulsion from this country would serve no sound economic purpose, but would work a hardship on all concerned. It broadens the basis for deportation of undesirable criminal elements. It eliminates certain technical bases for exclusion, where the merits of individual cases are all in favor of the retention of persons legally admitted to the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

#### UNEMPLOYMENT RELIEF

Mr. SAUTHOFF. Mr. Chairman, once more we are faced with the grave problem of putting unemployed men and women to work. Estimates of those seeking a job range from 10,000,000 to 12,000,000. Either figure is out of all proportion to the number that could reasonably be expected to be unemployed, for in a country as large, as wealthy, and containing so many natural resources as ours, no man or woman able and willing to work should be without a job. Only those who are mentally and physically unable to hold a job should be reasonably expected to be unemployed. How great that number is we do not know. It has been estimated in the neighborhood of 4,500,000. If that figure is correct, it still leaves 5,500,000 to 7,500,000 jobless.

#### THE DUTY OF GOVERNMENT

Governments are instituted among men for man's advantage, and he has a right to look to his government for help when his welfare is at stake. In the past the needy have been provided for by local units of government, but during the bitter months of the winter of 1932 and 1933 it became evident that the problem of the jobless was too huge a task for local units, and that State and National aid must be given to help take care of the needy. As a result, at the urgent request of President Roosevelt, Congress speedily passed the necessary legislation to furnish Federal aid for the benefit of those unemployed. While this aid was not sufficient to take care of all those on the relief rolls, nevertheless it went a long way toward solving this grave problem. The Government, with the cooperation of State and local units, instituted work projects which helped the local communities and at the same time aided industry and labor. The building of schoolhouses, the laying of sewers, the construction of court-houses and other public buildings—all these speeded up the wheels of industry so that industry was revived and prosperity came back to our people. The national income rose from \$36,000,000,000 to \$60,000,000,000, and there were times

during the best months in 1937 when the national income was \$6,000,000,000 per month. In spite of this fact, at the same time that we had this marvelous upturn in industry and employment, the number of unemployed never fell below 6,000,000. There were still too many people unable to secure work, especially those who had passed the age of 50. Modern industry, with its huge mechanical devices, has speeded up production to a point where men and women who have reached the age of 45 are no longer wanted and are crowded out to make room for younger and faster employees. Here is a problem that modern industry has created—the junking of human labor on the scrap heap of unemployment. What is the solution? Either the Government must own industry and furnish employment or the Government must create jobs and put the people to work, taxing the industries to pay for it. Industry cannot expect to create the problem and then fail to shoulder the burdens resulting from it and wash its hands of the entire subject with the plea, "Let industry alone."

#### LAISSEZ FAIRE

The doctrine of laissez faire—let us alone—has been freely invoked by big business whenever the Government has sought to regulate working conditions and to improve the welfare of labor generally. Time and again big business has invoked such slogans as "Keep government out of business," "Too much government in business," "Let business solve its own problems," and a number of others, but I would remind you that when big business wanted a special privilege by way of a high tariff it invoked the aid of the Government to secure that tariff, which is no more nor less than a special tax on the consumer for the benefit of big business. Furthermore, when the railroads, the banks, and the insurance companies needed money to weather the storm of depression they did not hesitate to call upon the Government for aid in time of distress. Big business, therefore, is not justified in claiming that government is destroying it, when it was created through special favors from government. It is the duty, therefore, of big business to appreciate the fact that its prosperity depends on its cooperation with the Government and upon its fair treatment of its employees. A spirit of cooperation instead of hostility would go a long way toward correcting the ills of our present unemployment problem.

#### THE CINCINNATI PLAN

In my research to discover a plan which has been tried and found successful I came across the article of Dr. Stanley High, printed in the Saturday Evening Post July 24, 1937. The city of Cincinnati recognized the importance of the unemployment problem and tackled it very intelligently back in 1928. It did a good job of it. In 1932 the city established a committee on coordination and cooperation. The members of this committee were the city manager, Col. C. O. Sherrill, the president of the board of education, and the president of the board of county commissioners. That committee has met faithfully every Monday noon. It has carefully scrutinized the budget and the program of the city's various departments. The city's business affairs have been brought under single management. This committee on coordination made a careful research and a preliminary study so that accurate data might be secured on which to base its program. Briefly, the program is this: Four committees were created dealing with different problems. Committee No. 1 is working out a long-time program for training junior apprentices. Committee No. 2 has established short-time courses for workers whose skills have become obsolete. Committee No. 3 has launched an experiment to regularize the city's casual labor. Committee No. 4 has begun the rehabilitation of the so-called unemployables and made plans for the more adequate care of those who cannot be rehabilitated. In 2 years' time Cincinnati reduced its unemployed from 30,000 to 6,000. It cut off many chiselers. Time does not permit me to go into all the details but I urge upon the mayor or city manager who is interested in this program to write Colonel Sherrill and get their pamphlet on the subject.

#### LOCAL AUTHORITY

I believe that we could get better results, get more for our money, if we gave the local governments more authority in the expenditure of these funds. I believe the local mayors or city managers know their local problems better than some Federal agent who comes from another section of the United States. I believe too that some contribution on the part of the local government would bring closer cooperation, more careful scrutiny of expenditures, and hence better results, both for the taxpayer and the unemployed. This local contribution need not be large. It could be the amount that the local communities are now spending on their relief problem. For the smaller cities, say up to 50,000 inhabitants, 5 percent would be ample. For cities of more than 50,000, there could be an increase of say 2.5 percent. The committee would know what amount would be fair and reasonable. It should not be so high that it would be burdensome to the local community, but it should be high enough that the local community would jealously guard the expenditure of every dollar.

#### THE SMALL-BUSINESS MAN

The district which I represent has no so-called big business. Our industries are nearly all of the type that may be classed as small business. These businesses started from very small beginnings through the initiative, industry, and ability of the boss himself. Many of these businesses are now in difficult financial straits and if they are permitted to go to the wall, it means a serious misfortune to the community in which they are located. They employ our labor and furnish a market for our farmers. There has been much publicity about the Reconstruction Finance Corporation aiding small business, but the facts of the matter are that only \$20,400,000 has been loaned to the small-business man since the release of these funds was authorized 2½ months ago. Three times this amount is asked for in pending petitions to the Reconstruction Finance Corporation. The trouble with this entire problem is that when the small-business man comes for a loan and shows his situation and set-up, the Reconstruction Finance Corporation asks him why he does not apply to his local bank. His reply, of course, is that the local bank will not loan him the money. Whereupon, the Reconstruction Finance Corporation replies, that inasmuch as the local bank will not loan him the money he must be a poor financial risk, and therefore it refuses to let him have the money. I have had complaints both in person and in writing by those representing small businesses, stating that even though they may be able to furnish collateral worth three, four, and sometimes five times the amount of the loan, nevertheless they could not get the loan. I believe that we could do a lot of good by building from the bottom up instead of merely giving loans to the large concerns and permitting those benefits to trickle down to the small-business man.

#### UNJUST DISCRIMINATIONS

There is another field relating to the small-business man which deserves attention. Under this unemployment-relief bill, a new impetus will be given to the construction program throughout the country. Many communities, large and small, will have new buildings erected as a result of this program. If the material and supplies going into these constructions were purchased of the local businessman by the Government it would help him stand on his feet. It would give him a chance to make a living and to pay his employees good wages. It would stimulate the business of the little fellow and keep the money so expended in the local community. Unfortunately, that is not the method pursued by the Government. Under the present system, bids are requested from the large cement companies, lumber companies, hardware companies, and so forth, on vast quantities of goods. As a result, the big companies in the big cities get those contracts and the little fellow back home who is dependent on the business in his local community for his very existence, finds the Government taking it away from

him and giving it to big business many miles away. This is unfair and unjust and many Congressmen, including myself, have protested against it. So far our protests have fallen on deaf ears, but I still feel that it is a short-sighted program which takes the business from the little fellow away from the local community and puts it in the hands of big business located in the large metropolitan areas. I believe some provision should be placed in this bill to prevent a continuance of this false policy.

## CHILD LABOR

Child labor is a real problem in the United States, and the sooner we put an end to it the better, not only for the children themselves but for the future of the communities in which they are employed. There were 667,118 child workers 10 to 15 years of age, inclusive, in the United States in 1930, according to census figures. During the depression the total amount of child labor decreased but the number of children working in certain undesirable occupations, or under sweatshop conditions, increased.

In 1933, under the N. R. A. codes, 16 years was set as the minimum age for industrial employment; in certain dangerous occupations the age limit was 18. As a result child workers under 16 virtually disappeared from industry and commerce. In 1935 the codes were declared invalid and there was a prompt increase in the number of children leaving school for work in areas reporting to the Children's Bureau. This information is taken from a leaflet entitled "Child Labor," issued by the United States Department of Labor.

Before Congress submitted the child-labor amendment to the States in 1924 it had enacted two Federal child-labor laws, each of which in turn had been declared unconstitutional by the Supreme Court. Both of these early laws set 14 as the minimum age for employment in factories, mills, canneries, and workshops, with an 8-hour day, 48-hour and 6-day week, and prohibition of night work for children between 14 and 16; and 16 as the minimum age for children in mines and quarries. The child-labor amendment is not a law, but an enabling act giving Congress power to pass Federal child-labor legislation. The amendment has been ratified by 28 States. When 36 States have ratified it the child-labor amendment will be a part of the Federal Constitution and it will be possible to establish national minimum standards for child employment on a permanent basis. The following States have not ratified the child-labor amendment: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, New York, North Carolina, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, and Virginia.

And no one can foretell when they will do so, which may be a matter of years.

In order to force these States to take prompt action on the subject I propose that only States that have ratified the child-labor amendment shall be eligible for funds appropriated by this act. This will force every State that is now employing child labor to adopt this amendment or else receive no moneys appropriated for unemployment relief. I am satisfied that none of the States will wish to forego their chance to share in and participate in the benefits of this act, and therefore we may expect prompt action by these 20 States in order to get a chance to receive Federal aid. I trust that this amendment will be adopted.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FLETCHER. Will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Ohio.

Mr. FLETCHER. I am interested in what the gentleman said about Cincinnati, and he has stated the facts. He spoke about the way it is distributed now, making it possible for the local politicians to use these funds politically. Then the gentleman followed up with a statement that it should be allocated to the city managers, or the local officials of the community. In a case where the mayor is running for Congress against the sitting Congressman and is using every

appeal he can make to the people on relief, giving away salaries and all that sort of thing, does the gentleman think he would resist the temptation to take advantage of the facilities offered by his suggestion to cash in in order to defeat the present incumbent in Congress?

Mr. SAUTHOFF. No; I do not think he would. I think he would do what everybody else is liable to do. That is human nature. But I say if your community has to chip in 10 percent of the amount spent in that community, he is not going to get away with what they are doing in Pennsylvania with the W. P. A. workers, lining them up by the thousands in order to get in on a political State-wide campaign.

Mr. FLETCHER. I am sure the gentleman does not mean to imply that Pennsylvania is going to get away with it.

Mr. SAUTHOFF. I hope not. I will join the gentleman in any investigation he is in favor of holding in reference to that situation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, looking over the Chamber, I wonder if it would not be just as well to wait until after the House adjourns. It seems to be my luck to get time to speak at a late hour.

Mr. FLETCHER. Does the gentleman reflect upon his ardent listeners as having little more capacity than an empty Chamber?

Mr. BUCKLER of Minnesota. I did not mean any reflection on the intelligence of the few Members that are here. I had in mind that the Chamber was so nearly empty I might wait until they adjourn and then I would have had plenty of time to deliver my speech. From the experience I have had here before in trying to convince this Congress of the things they should do, perhaps it would be just as well to talk to an empty Chamber.

Mr. HOFFMAN. Will the gentleman yield?

Mr. BUCKLER of Minnesota. No; I cannot give up all my time, so I decline to yield.

Mr. CHURCH. Would the gentleman like to have a quorum called?

Mr. BUCKLER of Minnesota. No; thank you. It is too late in the day. The House is ready to adjourn, so I will try to get along with what few are here.

We have before us today a bill to help the unemployed who have no opportunity to earn a living except by the passage of this legislation.

I want to say at the outset I expect to vote for this recovery and relief program, and will continue to do so so long as we have people unemployed and hungry, but I would like to call your attention to speeches I made on the floor of this House when you passed the relief bill in 1935. I told you at that time unless you give the farmers decent prices for what they produce and take over the Federal Reserve bank and control of money and credit of this Nation, when you spent the \$4,800,000,000, you would be back asking for more. Now you are here.

You can buy the Federal Reserve bank stock for \$140,000,000. Then you will have control of the Federal Reserve bank, and you can use part of that \$11,000,000,000 in gold to finance this relief problem and do your own banking instead of borrowing the money from Wall Street.

On February 16, 1937, soon after the Federal Reserve bank raised the reserves in the banks of the Nation, I stood on this floor and warned you that you were headed into another panic. I called your attention to the panic we had in 1920 and 1929. I will quote a few lines from my speech made at that time:

Now you have frozen the assets of the country's banks and you are headed for another panic, the same as we had in 1929.

I made the remark at that time that I could just as well try to wake up Rip Van Winkle and talk to him as talk to the majority of this Congress on the money question.

Anybody should know if you take the money and credit out of circulation you would have a panic. It is amusing to see how many Congressmen get on this floor and try to find excuses for the panic, some saying it is fear. In other words, manufacturers are afraid to produce and sell.

The manufacturer would sell if he had a market. When farm prices started to go down last fall, naturally the farmers stopped buying. Then the manufacturers started to lay off their help, and, of course, that practically stopped buying. So it is a kind of perpetual motion.

The Federal Reserve was the cause of this panic when they raised the reserve requirements and sterilized a billion and a quarter of gold. You have no other choice except to pass this bill, but this is the price you pay for raising the bank reserves and sterilizing the gold.

Some time ago we passed the agricultural bill. I voted for the bill. It is not what we should have or what we must have. However, I think it is better than nothing, but not the solution to the farm problem. The only solution that I see for the farmers of this Nation is cost of production for the part that is consumed in the United States. While the prices at the present time are better than they were in 1932 and 1933, they are not high enough to compete with the things the farmer has to buy.

On most of the things a farmer has to buy a price is set and controlled by big corporations and trusts. In most cases prices were doubled in comparison to what they were back in 1914, and in some instances machinery was tripled. The grain gambler sets the farmers' price, regardless of what it costs the farmers to produce. Everything the farmer buys he buys at a fixed price. The manufacturer, jobber, and retailer add cost of labor, interest, and taxes, which they pass on to the farmer in the proportion that he buys the manufactured goods. The farmer has no way of passing his interest and taxes because he is the last man in the line.

What other part of society could exist under such an arrangement? The only way that the farmers—what few are left—have been able to compete with that kind of an arrangement is by working their wives and children long hours and denying themselves the comforts of life that they should be entitled to. The farmer's wife is not much more than a slave. It is a crime and a disgrace to think the farmers can do business with the grain gambler setting his price.

My district produces as much, if not more, wealth than any district in the United States but by the time the farmers pay those fixed charges, they have nothing left. If you give the farmer a price, you will have a market right here in the United States for about all the manufacturers can produce.

I might mention some of the disadvantages in fixed charges. Wall Street is something like a big octopus with its arms reaching out in all directions in the United States. The Wall Street bankers, with their influence over the Federal Reserve Bank Board, control the money and credit of the Nation to which we all pay tribute through interest charges. They practically own or control the railroads of the United States on which the farmers pay high freight rates. They own the large insurance companies who loan money to the farmers at a high rate of interest. They own the telephone and telegraph system. They own and control the big power and light interests of the Nation. They own the chain stores which take the money out of the towns and cities in the agricultural districts and deposit it in the New York banks. They operate the New York Stock Exchange that fleeces the professional men ever so often by selling stocks and bonds at a high price and then manipulating the market until the prices go down. By the time these leeches get through with the agricultural districts, there is nothing left.

I have just about come to the conclusion that the branch of the Agricultural Department which gathers the statistics that they report out every month on what the farmer has produced and what he is expected to produce is a detriment to the farmer instead of a benefit. About the only persons it benefits are the grain gamblers and the meat packers.

Last fall in September wheat in my district was worth \$1.15 and \$1.20. In October the Department found 85 million bushels more of wheat than they claimed to have in September. They have been turning out circulars every month since as to what the farmers intended to raise in 1938. Every time they send out a report, prices go lower.

The same thing happened to lambs. In October lambs were worth 10 cents a pound in South St. Paul and the Government came out with a bulletin saying there were more lambs on feed than there were last year. Naturally if the Government told the packers there were more lambs, they would start to buy them cheaper. In December the lambs were worth 8 cents a pound in St. Paul.

They have got so they can estimate the pigs and tell how many hogs one is going to have next year before the sows were bred. I think the farmer would be better off if they would stop sending out these reports.

In my district we produce wheat, corn, barley, oats, and flax. We produce the best seed potatoes grown in the United States. Sweetclover and alfalfa grow wild. We do not even have to inoculate to get it to grow. We have a sugar-beet factory in my district and their sugar beets have the largest sugar content of any place in the United States. We have quite a bit of corn for feed. We also have a large number of dairy cattle, sheep, and hogs. And that is not all we produce.

In most every home you will find sturdy young men and women who would like to farm but they have watched their fathers and mothers slave away their lives and in a good many cases end up in the poorhouse and so now they hesitate before they start farming.

In my district we do not have plutocrats, economic royalists, or sons of the idle rich. If agricultural districts keep on producing wealth and sending it into Wall Street, scientists will not have to draw on their imagination so very much to see sometime in the future the offspring of these idle rich in the trees looking for coconuts. [Applause.]

I have spoken to you about the wealth that my district has produced. I would like to describe it so you will know what a wonderful country I represent. The district averages about 300 miles northwest of Minneapolis and St. Paul, known as the Red River Valley. It is one of the richest valleys in the United States. It consists of 15 counties, 10 or 11 counties are a vast prairie country with small rivers and streams running through it with hardwood timber on the banks, such as oak and elm. This is the home of No. 1 hard spring wheat. The other four or five counties are partly timbered section, filled with fine lakes. As you know, Minnesota has 10,000 lakes and one of my counties alone has 400 lakes. We have some of the finest summer resorts and fishing of any place in the United States. In fact, the fish are so thick they have been known to jump in your boat and take the worms. [Applause.]

It is one of the most healthful countries in the United States. People come from all over to get away from hay fever and malaria. In fact, it is so healthy that very few people ever die except from old age. It is no place for an undertaker. I know you Congressmen would like to live to be old, so I invite you to come up to Minnesota. [Applause.]

Now times have changed. About 100 years ago this great prairie was roamed by buffalo and Indian. Some 60 years ago the white people took it away from the Indians and now Wall Street has taken it away from the farmers.

Just 34 years ago when I went to Minnesota everybody belonged to the Republican Party. But now most of the people have joined the Farmer-Labor Party. There are some who think the Republican Party is on its way out the same as the buffalo. [Laughter.]

I want to cite you a little incident to show you how disgusted Republicans in my district were back in 1932 and 1933. I was going through the country one day and saw a farmer who had his sheep in the pen. He had hold of the sheep's tail and was trying to shear him. Of course, the sheep was running all over the lot. I stopped and said, "My friend, that is no way to hold a sheep to shear him."

"I know," he said, "but I have been voting the Republican ticket and wool got so damn cheap, I couldn't look him in the face and take his wool." [Laughter and applause.] Of course, wool at that time was worth 7 cents a pound.

This spring our Republican friends have begun to wake up a little and the old elephant is beginning to show a little life. They are throwing the hay into the old boy, but I do not believe he will come back, at least this year. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BUCKLER of Minnesota. Before I close I would like to call your attention to the fact that the Federal Reserve Board made a statement that the reason for raising the reserves in the banks was to stop the New York Stock Exchange prices from going higher and giving that for the reason they were taking the money out of circulation. You cannot regulate the prosperity of 130,000,000 people by a few gamblers on the New York Stock Exchange. Not only the people but the independent bankers of the Nation would be much better off if the Government had control of the Federal Reserve Banking System.

A few days ago we passed a bill to make it much easier to catch a few Negroes selling lottery tickets, but you let a bunch of gamblers and racketeers carry on their rackets and fleece the citizens of the Nation. You might say at least some of them are thieves. In fact, you caught two or three of them a while back and they are now serving time in the penitentiary. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 5 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, title II of the bill now under consideration carries an appropriation of \$965,000,000 for public-works projects, and under that title in section 201 (a), subdivision (1), we have a provision that the funds so appropriated may be used for "making of allotments to finance Federal projects." Further on in the bill, in section 201, subdivision (1) (c), there is the further limitation upon the expenditure of funds for Federal projects, which reads as follows:

Under subsection (a) (1) of this section not to exceed \$100,000,000 shall be allotted to Federal agencies for Federal construction projects in continental United States outside the District of Columbia, and such projects shall be selected from among the following classes—

And then the classes are given.

The matter to which I wish to invite the attention of the committee is the language used in this section, and this is the only place it is used in the bill so far as I have been able to discover, limiting the expenditure of the \$100,000,000 carried in that subsection to the continental United States.

I suppose that during my first year in this body I spent at least half of my time in seeking to have general legislation corrected so as not to discriminate against the citizenship of the Territories. For example, when the bill to guarantee bank deposits by Congress was passed, the Territories were not at first included, and before my time, when the first Reconstruction Finance Corporation bill was passed, Territories were not included. The Home Owners' Loan Act, as the bill was introduced, did not cover the Territories. And the same is true of the Emergency Banking Relief Act of 1933, and others. So it has been necessary on the floor of the House or in the Senate or in one of the committees to seek to have the language of these general bills changed so as to include the Territories, and sometimes it has not been easy.

Mr. WOODRUM. Mr. Chairman, would the gentleman care to yield?

Mr. DIMOND. Yes, surely.

Mr. WOODRUM. Of course the gentleman understands that the present bill is designed to reach the unemployment situation.

Mr. DIMOND. Surely.

Mr. WOODRUM. What is the situation in the Territory with reference to unemployment?

Mr. DIMOND. The situation at the present moment is a very unhappy one. What it will be 3 months from now I cannot say. We hope it will be much better, but we are in a very perilous position with reference to the salmon-packing industry on account of jurisdictional disputes between A. F. of L. and C. I. O. workmen, and because of those disputes it may be that no salmon will be packed in Alaska this summer. In that event we may have in the coastal regions of Alaska a worse condition than any that exists in many places in the United States.

Mr. WOODRUM. Does the Works Progress Administration have any operations in the Territory now?

Mr. DIMOND. Very small operations at the present time.

Mr. Chairman, since the gentleman has been good enough to ask me about this situation, I do not know whether the striking out of the limiting language, "continental United States", will correct the situation according to my desire. If the words "continental United States" were stricken I do not know how much money Alaska would receive under the provisions of that paragraph, if any, but we ought not in the law be set apart from the rest of the United States.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. TABER. Does not the gentleman regard Alaska as being within continental United States?

Mr. DIMOND. I did when I first came here, and then I found out that every department of the Government has uniformly construed the term "continental United States" as excluding the Territories. There is no judicial decision on the question that I have been able to discover, and I have made a pretty careful search.

Now, it is true that the Territories and possessions are embraced within the benefits granted in other sections of the bill. I have read with eager interest the provision of the bill about the leasing of property built with Federal funds, as well as the provision which evidently is designed to avoid the bar which might otherwise exist of constitutional limitations upon the indebtedness of any State or Territory. But I am wondering just how far we in the Territories can safely rely upon those provisions of the bill to secure a proper and adequate share in the appropriations carried in this measure.

It seems to me probable, Mr. Chairman, that the paragraph of limitations upon Federal construction projects, a portion of which I read a few minutes ago, is designed in part to take care of meritorious projects upon the public lands in the great public-lands States, and thus is avoided the necessity for State or municipal contribution with respect to large projects situated in one or more of the States where the proportion of the public lands is so great as to make it all but impossible for the States, or for any of their municipalities, to share the expense of construction. If my surmise is correct, then by all means, the Territory of Alaska should not be excluded from this particular part of the bill, for Alaska embraces a much larger area of public domain than does any State. In fact, more than 99 percent of the entire area of Alaska, 589,000 square miles, is still in the public domain.

But whatever may have been the motive of the Appropriations Committee in thus limiting to the continental United States the funds to be spent for Federal construction projects, I suggest to you that the underlying theory is wrong. American citizens are not divided into two classes, those who reside in the States, and those who reside in the Territories and possessions. One of the causes of the Revolutionary War was the legislative and administrative discrimination against the Thirteen Colonies and the citizens thereof manifested by the Government of Great Britain. The Territories of the United States are not colonies, they are States in embryo. It will probably not be many years before both of the Territories will be erected into States. The citizens of the Territories enjoy the full protection of the Constitution of the United States, and they take much pride in their status as citizens. While not unduly sensitive to slights, they do resent discrimination against them,

whether legislative or administrative. It is better, much better, that the Congress should be solicitous at all times and under all circumstances to treat them as a part of the general body of the citizenry of the Nation. Such treatment and such treatment only is in harmony with the sense of justice and the dignity of Congress. Is it conceivable that right principle may be surrendered just in order to possibly deprive the Territories and possessions of a few dollars which they might otherwise receive for public works in order to spend those few dollars in one or more of the States? Surely, to ask that question is to answer it. No member would wish money for some project in the State which he represents on those terms.

No more persuasive reason can be advanced for excluding the Territories and possessions from the benefits of Federal construction projects than can be advanced for excluding, shall we say, the New England States, or the Middle Atlantic States, or the Pacific Coast States. It is entirely possible that in some group of the States of the Union there may be no occasion for undertaking Federal construction projects, but if so, that is a matter to be taken care of in the administration of the act and not by an express exception or exclusion of the States from the terms of the law itself.

I am not here making any demand for the appropriation or the allotment of funds for Alaska or for the Territories and possessions generally. I am appealing to you now for something much more important, for fair play and equality and justice under the law.

[Here the gavel fell.]

The CHAIRMAN. The time of the Delegate from Alaska has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. DIMOND. Mr. Chairman, the point I make is that the people of Alaska are just as much citizens as the people who live in the several States, and there is not a single solitary reason that can be advanced why they should be discriminated against in general Federal legislation or be barred by law from possible benefits, whether they come through the P. W. A. or the W. P. A. or some other type of legislation.

I appeal to the committee to voluntarily cut this offensive language out of the bill. It is a blot on the bill, it is a discrimination against good and loyal citizens. There is no reason for it, because, after all, when \$100,000,000 carried under subsection (c) is allotted, the administrative officers will take good care that not an undue proportion is given to Alaska or to Hawaii, or to any of the possessions of the United States. There is no justification that can be advanced by anybody for making such a discrimination. I know if I should offer an amendment tomorrow, and the committee does not agree to it, it would be a futile action, and I do not want to uselessly take up the time of the committee in that way. I appeal to the committee, of its own motion, to eliminate the restrictive language and treat all citizens alike. We in the Territories are not going to get any of the best of it if you do that; but for Heaven's sake let us start out for once and for all with the same kind of treatment that you are giving to the other citizens of the United States in a piece of general legislation. [Applause.]

The CHAIRMAN. The time of the Delegate from Alaska has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I notice that some members of the Appropriations Committee are present on the floor this afternoon, otherwise I would not at this late hour take up the time of the Committee to discuss the point I want to make with reference to the first section of the bill. I call the attention of the members of the Committee on Appropriations particularly to the language beginning on top of page 3, which is a part of the section that specifies the type of projects that might be carried out. The language I refer to reads as follows:

Projects for the production of materials for fertilizing soil for distribution to needy farmers under such conditions as may be determined by the sponsors of such products under provisions of State law.

Earlier in the afternoon the distinguished gentleman from Virginia [Mr. WOODRUM], in reply to a question propounded by me, stated that this language was intended to permit the continuation of the so-called marl and lime products that have been carried on so successfully in many of the rural sections of the country. For a long time these lime and marl projects were carried on, but all of a sudden they were stopped as the result of some difficulty with some department heads, some ruling of some kind; but the purpose of this language is to permit the continuation of those liming projects; and I submit to the membership of the House that these liming projects have been most beneficial in the preservation of soil and in the building up of soil. They really have been of tremendous benefit to the farmers of the country. I am perfectly satisfied with the language that has just been read, with the exception of the word "needy," which provides that this lime or other fertilizer can be distributed only to needy farmers. I call attention to the fact that it is only W. P. A. labor that is used. No other funds are used in preparing this lime.

Mr. WOODRUM. I wonder if the gentleman is speaking from his impression or from the fact. My understanding is that that is not true; that the only reason for inserting the word "needy" in the bill is because they did not employ W. P. A. labor; that the sponsors dictated the terms of these projects, and they did not employ relief labor; they did not confine it to that. I would like to have the gentleman verify that.

Mr. BOILEAU. My understanding of the matter is that all of these liming projects in Wisconsin have been W. P. A. labor. That is what we have been thinking of these last few years—to have these W. P. A. projects working in the country. Those who sponsored the project could have been county agents, and they will provide the machinery for grinding the lime and the trucks for hauling the lime out to the farms, and all we ask is that W. P. A. labor be employed so that this lime can be distributed to the farmers at a minimum cost, the charge being only high enough to pay for the cost of the machinery employed and the transportation of the lime in the event the farmer does not haul his own lime. I am quite certain about that, but before this matter comes up under the 5-minute rule I shall satisfy myself. I am confident that I am correct in the matter, but I shall verify it.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. WADSWORTH. I am interested in what the gentleman says about liming projects. Will the gentleman state whether it is the custom in Wisconsin for the authorities who supply the trucks, for example, to spread the lime on the soil?

Mr. BOILEAU. No; they dump it on the farmer's land and the farmer spreads it himself. I do not know of any W. P. A. labor being used to spread the lime.

Mr. WADSWORTH. Can the gentleman tell us the average cost per ton of that lime?

Mr. BOILEAU. I regret that I am unable to give the gentleman that figure, but it is a nominal cost, because the labor is W. P. A. labor.

We maintain that if there is a justification for these programs such as specified in this provision the word "needy" should be stricken out so that it would be made available to all the farmers in that community. If you restrict it only to needy families, it means that you will not have this liming program, you will not have this fertilization program. The gentleman from New York smiles. He suggests to my mind that perhaps under a proper interpretation of the provision all farmers might be classified as needy.

Mr. WADSWORTH. If the gentleman from Minnesota will yield, the gentleman from New York was going to say that it might be more logical if we provide for the distribution of this lime to needy soil.

Mr. BOILEAU. That is very fine. I appreciate that suggestion. That is the purpose—to fertilize needy soil. If you restrict it only to needy farmers, you either are not going

to have enough needy farmers or you are going to make the cost prohibitive. In a community of 100 farmers, 25 might be classified as needy by the person who makes that decision. I do not know how anybody is going to know just where to draw the line. As I say, if you go on this basis, the result will be that your liming program will be spread over such a large area one small crusher will have to serve such a large territory that the cost of transportation will be prohibitive. I suggest that the word "needy" should be stricken out. I can give you several reasons why it should be stricken out. In the cities of the country you do not build schoolhouses for needy children—no; you build them for all the children. You do not build recreational facilities for needy people; all the people use the recreational facilities. Your sewers are not constructed for needy people; they are constructed for all the people. And so with your waterworks and other projects listed in this section. They are made available to the entire community, without respect to its being for the poor or the needy only. When you have a rural project, why should you say that it must be for the needy? Oh, it has been suggested that somebody might benefit from this expenditure of Government money; that when you give them this lime free or at only the cost of crushing and transportation that you are improving the value of the farmer's soil with public funds. That is true; but if you build a schoolhouse in your home town, you are improving the value of each and every piece of property in the town. If you happen to live in near proximity to a place where some of these public improvements, parks, schoolhouses, or any other project, waterworks, sewers, or other public improvement has been constructed, the value of your property has increased; you have received a benefit from public expenditures. Whenever the Federal Government comes in and builds a park, constructs a school building, or other public improvement in your town, it means that each and every taxpayer in the community pays less taxes than he would have to pay if the locality had built it. So in the case of every single one of these projects, you are increasing the value of the property affected or you are giving real dollar value or benefit to every person living in the community. His taxes are reduced by having the Federal Government contribute these works.

If this is fair, if this is just, it seems to me that these liming projects are exactly upon the same footing and that you ought to have liming projects that would be beneficial to all of the community, without regard to the need of the individual who receives this lime; and I submit to the Members of the House, and particularly to the members of the committee, that if you leave the word "needy" in this paragraph you might just as well strike out the whole provision, because you will not be able to have a liming project that will service only the community unless you do so at prohibitive cost, because one of these lime crushers is located in a community and serves a large area. If, however, you provide that only needy people be served, it means that the area must be increased, expanded, extended, so that you could not afford to put that equipment in there and add to that the cost of transporting this lime to these needy farmers. It seems to me you are discriminating against the farmers by insisting upon the retention of the word "needy."

As I understand it, this language was taken verbatim from the language inserted by the Senate in the deficiency appropriation bill, which we passed during the present session.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BOILEAU. Mr. Chairman, over in the Senate they put this amendment in the deficiency appropriation bill, which was stricken out in conference, but the language is the same with the exception of the fact that the appropriation committee inserted the word "needy." I want to appeal to the membership of the committee to reconsider this matter and I feel certain if they do reconsider the matter they will come to the conclusion there is no justification for retaining the word "needy" and will approve of an amendment

I propose to offer which will put the farmers on exactly the same basis as everyone else. If you insist on retaining the word "needy" in this provision, then you must in all justice, and if you want to be consistent, provide that these sewers shall be provided for needy people, that schoolhouses are provided for needy people, and highways for needy people, and all the way down the line. There is no justification for this exception in the case of farmers. These lime and marl projects have been the most successful projects carried on in my State. I do not know how many other States have had them, but they have proven successful in Wisconsin. They have given jobs to the people in the villages and cities of the farm areas. These men go out from the cities and villages and work on these lime projects. It provides employment and every single dollar of the amount goes into employment, because the local sponsors of the project furnish the trucks, crushers, and so forth. It does splendid work so far as fertility of the soil is concerned. It helps the farmers. After having seen these projects in operation in my State, I can say that there is not a single lime or marl project in the State of Wisconsin that has been adversely criticized by anybody, because it is recognized they have been doing a splendid job economically, giving the maximum of employment, and at the same time creating a permanent wealth and increasing the wealth of the community among those people who have been permitted to receive the benefits thereof.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for Public Works projects, had come to no resolution thereon.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate further insists upon its amendments to the bill (H. R. 7084) entitled "An act to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes," disagreed to by the House; agrees to the further conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. HITCHCOCK, and Mr. BRIDGES to be the conferees on the part of the Senate.

#### REVENUE BILL, 1938

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the conference report and statement on the revenue bill (H. R. 9682) are presented on tomorrow (Wednesday) it will be in order to proceed immediately to the consideration of the report, after the reading of the statement in lieu of the report, and that the requirement that the report and statement be printed in the RECORD prior to consideration be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. JONES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3949) to amend the Agricultural Adjustment Act of 1938.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting, immediately after "Secretary" and before the colon, the

following: "and for the crop year 1938 any part of the acreage allotted to individual farms in the State which it is determined, in accordance with regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made, shall be deducted from the allotments to such farms and may be apportioned, in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in the immediately preceding year: *Provided*, That any such transfer of allotment for 1938 shall not affect apportionment for any subsequent year."

Sec. 2. Section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) In the case of flue-cured tobacco, including dark fire-cured and dark air-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State, in addition to the State poundage allotment, a poundage not in excess of 2 percent of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under the Agricultural Adjustment Act of 1938, as amended, which the Secretary determines are inadequate.

"(g) Nothing in the Agricultural Adjustment Act of 1938, as amended, and/or the Soil Conservation and Domestic Allotment Act, as amended, shall be construed to authorize the Secretary to limit the poundage allotment made to farms under the Agricultural Adjustment Act of 1938, as amended, to tobacco produced upon the acreage allotted to such farms, but each producer of such tobacco shall be permitted to plant such acreage as will produce his poundage allotment, any excess production to be subject to other applicable provisions of the Agricultural Adjustment Act of 1938, as amended."

Sec. 3. In carrying out the provisions of the Third Deficiency Appropriation Act, fiscal year 1937, and section 381 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to cotton price adjustment payments with respect to the 1937 cotton crop, in order to accelerate such payments the Secretary shall, notwithstanding said provisions, (1) treat all cotton not sold prior to September 10, 1937, as if it had been sold on a date when the average price of  $\frac{3}{4}$ -inch Middling cotton on the 10 designated spot cotton markets was less than 9 cents per pound; (2) make payment on the basis of applications on forms prescribed by the Secretary which have been filed prior to July 16, 1938, as prescribed in regulations issued by him, by the producers, or the 1937 operator, or other person designated pursuant to such regulations, on behalf of all the producers on the farm in 1937; (3) make payment to producers upon the producer's certification that he is engaged in producing cotton in 1938 and has complied with the requirements as defined in said section 381 (a), or is not engaged in producing cotton in 1938, and upon his agreeing therein to refund the payment forthwith upon demand in case it is subsequently found that he has failed to comply with the requirements as defined herein and in said section 381 (a); and (4) make payments, as soon as practicable, on the basis of his estimate of the amounts which will be covered by the applications to be filed prior to July 16, 1938, and of the funds to be used out of the appropriation for the necessary administrative expenses of making the cotton price adjustment payments.

Mr. SNELL. Mr. Speaker, may I ask a question or two about the bill? What are you doing in this bill?

Mr. JONES. The bill does two things. First, in reference to the cotton acreage and changing the amount of the cotton allotment, there are in certain counties, especially where changes are being made in production, certain allotments that the farmers do not want. This simply releases the unused portion or the unwanted portion and turns it back to the State allotment.

Mr. SNELL. It does not change any of the general allotments?

Mr. JONES. No; but it does change the second provision. It adds 2 percent to the tobacco allotment to iron out inequities under each State allotment in the case of two different types of tobacco, the dark fire-cured tobacco and the burley tobacco. The purpose of that is to take care of the same situation in some of the States that have been more recently in tobacco production. Those are the only two changes.

Mr. ANDRESEN of Minnesota. Can the gentleman inform us as to the number of additional acres that will be allocated to tobacco production?

Mr. JONES. I am sorry; I do not have the exact production. Some of the gentlemen from the tobacco sections might be able to give it—it will not be a great amount. It will add some to the tobacco allotment in the case of these two types of tobacco.

Mr. RICH. What are you doing about the corn allotment? The farmers of Illinois and the Western States are objecting to this allotment.

Mr. JONES. I may say to the gentleman there are no marketing quotas so far as corn is concerned and will not be unless two-thirds of the farmers vote for an allotment.

Mr. RICH. If the Illinois farmers who are objecting to this plan do not agree to it, they will not have to have it?

Mr. JONES. They will not have any marketing quotas. The only thing that is involved there is soil-conservation payments and the basis for those soil-conservation payments. The question of whether there will be a marketing quota, if need arises, will be passed on by the farmers themselves.

Mr. RICH. How much of an army is it going to take to administer this Agricultural Adjustment Act as it is now written?

Mr. JONES. I do not think it is going to take anything like an army. As a matter of fact, it will not take anything like the number required in the previous program, because the local county and community committees operate as to all commodities instead of for separate ones, as heretofore.

Mr. RICH. Is it not a fact there are more people administering the Agriculture Department today than ever before in the history of the Nation?

Mr. JONES. I do not know the comparative number in the regular set-up, but I may say in reference to this particular thing that there are fewer in that set-up for this year than heretofore.

Mr. RICH. But the only thing as far as the Agricultural Adjustment Act is concerned is that you now have a regular army trying to administer that act.

Mr. JONES. It will take fewer to administer the act this year than it has taken for the previous agricultural acts. I do not know the number in the regular set-up.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. PACE. What would be the result if a farmer planted only a portion of his cotton acreage and released the remainder to the Secretary and then found at the time the check was made that he had miscalculated his planting and had exceeded the amount he thought he had? Would he not be a noncomplier and therefore suffer all the penalties of the act?

Mr. JONES. It is altogether probable that the question of compliance would be determined largely by the action of the local committee. I cannot conceive of a serious instance of that type arising. I understand they have a tolerance allowance for some little variation. Of course, if a man has planted an excessive amount he would simply be compelled to adjust if he met the terms of the requirement. I would judge that before a man released the acreage that had been allotted to him he certainly would want to have it definitely determined as to what he did have and what he had planted.

Mr. PACE. The gentlemen believes, then, that the use of the word "intentional" in the original act would cover such cases?

Mr. JONES. Oh, I think so.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: On page 3, line 7, insert a new section:

"Sec. 3. Section 323 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking '(1) The amount of corn used as silage, and.'"

Mr. ANDRESEN of Minnesota. Mr. Speaker, the purpose of this amendment is to correct some of the glaring inequities that have been put into effect with the allocation of corn acreage in the commercial-corn area in 12 States in the Middle West. My amendment proposes to eliminate from the provisions of the act all corn raised and used for feed as silage, so that the acres of corn that are planted for silage purposes will not be considered either in the marketing quota

or in the allocated acreage under the soil-conservation program.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from Michigan.

Mr. MICHENER. Will the gentleman include in his amendment all corn used for feeder cattle where the corn is cut and not husked? In my country one little town gets 200 carloads of cattle a year from the West. The corn is all fed. The corn is cut but not husked. Fodder and all is fed from the field throughout the winter.

Mr. ANDRESEN of Minnesota. I may say to the gentleman I would have no objection to his amendment where the corn is used for feed, but in this particular instance we have a good many sections of the country where they feed all the corn they produce to the livestock on the farm.

Mr. MICHENER. We do that.

Mr. ANDRESEN of Minnesota. In the dairy sections they feed their silage to the dairy cattle. They have no corn for sale. If the farmers follow the allocations of acreage for corn in the dairy sections as now laid down by the Secretary of Agriculture they will not have enough feed to take care of their livestock during the coming winter.

Mr. MICHENER. That is our situation exactly.

Mr. ANDRESEN of Minnesota. My amendment seeks to correct that inequity.

Mr. MICHENER. We have the silos, also.

Mr. JONES. I suppose I have misunderstood the gentleman. I had understood the gentleman would not offer this amendment and did not ask those who were interested in corn to be here. The gentleman will recall the other Members from the corn area opposed this amendment and we left it to the corn people. If the gentleman is going to insist on his amendment I believe I shall have to withdraw the request.

Mr. ANDRESEN of Minnesota. I may say to the gentleman I did agree with him yesterday, because I did not have the amendment prepared.

Mr. JONES. I say, it is probably my fault, as I had supposed the amendment would not be offered today.

Mr. ANDRESEN of Minnesota. I did not really know this was going to be brought up today until notice was sent me some time ago that the gentleman did intend to bring it up.

Mr. JONES. If the gentleman insists upon his amendment, I shall withdraw the request.

Mr. ANDRESEN of Minnesota. I should like to have a vote on my amendment.

Mr. JONES. I am willing for the gentleman to have a vote. As I have said repeatedly, I am willing to leave this matter to those who are interested in corn in large measure, but others representing corn areas did not seem to agree with the gentleman, as the gentleman knows.

Mr. ANDRESEN of Minnesota. I realize that.

Mr. JONES. I do not believe it would be fair to them to vote on it without their being here.

Mr. ANDRESEN of Minnesota. I believe I still have the floor. May I say to the gentleman I have no objection to letting the matter lie over until we can have a vote on my amendment, and leave the bill and the amendment pending until further disposition.

Mr. JONES. I would much prefer to do that, if it is agreeable all the way around.

Mr. ANDRESEN of Minnesota. That is satisfactory to me. I do not want to inconvenience the gentleman or anybody else.

Mr. JONES. I know the gentleman does not.

Mr. ANDRESEN of Minnesota. Will that be the understanding, that it will be called up later and the gentleman will notify me as to when it will be called up?

Mr. JONES. I would much rather withdraw the request and I will notify the gentleman before it is called up.

Mr. Speaker, I withdraw my request.

#### THE PRESIDENT'S ADVISORY COMMITTEE ON EDUCATION

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute with reference to a bill I have introduced at this session.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### STARTLING FACTS ABOUT OUR NATION'S SCHOOLS

Mr. FLETCHER. Mr. Speaker, the schools of America must remain forever free from undue Federal Government interference or Federal control.

But before proceeding with this speech today, permit me to correct an erroneous impression. Because of membership on the House Education Committee, the frequent addressing of the House on education legislation and because of having introduced several bills providing for better educational opportunity for our Nation's youth, some Members of Congress have mistakenly assumed that I am identified with the education profession which, of course, is not true. I never taught school.

#### WHY I AM INTERESTED IN EDUCATION

My interest in education legislation is not that of a professional educator in any sense of the word, but merely that of an ordinary, every-day, tax-paying layman whose life has been devoted to the hard-headed commercial-printing business and the newspaper-publishing business.

I am only a very ordinary businessman, not an educator, and I am speaking of education today as a straight-out business proposition.

In business we convert raw materials of low value into a finished product that has higher value.

In education we take the raw, human material, convert it into a more finished product which has greater value in the educated or improved state than in the raw, uneducated condition. It pays to learn.

#### IDEAS ARE WEALTH

I am now speaking of education as an investment that is certain to pay dividends both to the individual and to society.

I am interested in education because the human mind is the greatest natural resource in existence.

Without a developed human mind all the natural-resource wealth of the world would remain undeveloped, unusable, worthless.

I am interested in education because education pays individually, socially, morally, financially, spiritually.

Education is the greatest profit-producing industry on earth.

The future of America depends largely upon the education of the coming generation because America cannot rise above the level of what the people think and the people cannot think above the level of what they know.

Ideas are wealth and ideas evolve from minds trained to think.

#### A POLICY OLD AS THE HILLS

Participation of the Federal Government in education is not a new policy.

In fact it is a policy old as the hills. Almost from the earliest formation of our Republic the Federal Government has promoted education and to my knowledge there has never been any effort at interference or control of education. At least I have never heard of it and I don't want to hear of it because I am opposed to Federal interference with local school management.

All of the Presidents from George Washington on down until the present time have advocated Federal interest in education in recognition of the Federal Government's responsibility to help in educating the young people for the duties of citizenship.

No administration has even taken so great an interest in education or done so much for education as the present administration and that statement is verified by the actual record of facts, as everybody knows.

## THE HARRISON-FLETCHER BILL

The bill which I introduced at the last session of Congress known as the Harrison-Fletcher bill and introduced in the Senate by Senator PAT HARRISON, of Mississippi, was so written as to leave school management to the local States and communities and in this regard no new policy was indicated.

Following the extensive House committee hearings on the Harrison-Fletcher bill, the President appointed an Advisory Committee on Education.

The findings and recommendations of the President's committee were reported to the Congress by the President at this session.

## WE INVITE YOUR CRITICISM AND SUGGESTIONS

At this session I introduced in the House a substitute for the original bill. The substitute includes many of the suggestions and recommendations made by the President's Advisory Committee.

Because of the crowded session and the many phases of this new legislation that need to be considered with the greatest care it seemed practical to defer action until the next session of Congress, at which time I shall introduce a greatly improved bill that will more nearly conform to the many constructive suggestions that have been made of the bill introduced at this session.

Although I have devoted many years to this subject, I feel we should proceed very conservatively and give every phase of the legislation the most careful analysis and critical scrutiny.

## VISITED SCHOOLS IN EVERY STATE

At my own expense I have personally investigated school conditions in a large number of communities in every one of the 48 States. See the December 1927 issue of the American Magazine.

From the material I secured from first-hand investigations of my own and from material secured from numerous other reliable sources I prepared an address on the subject, The Tragedy of Our Uneducated Millions.

Frequently I have presented these facts to audiences in all parts of the country in the hope of awakening the people to the disturbing truth about our Nation's schools which annually send out into life millions of young people inadequately equipped to meet the challenge of our changing times.

Young men and women whose educations are incomplete cannot compete. Today it is either learn or lose. Certainly it should be obvious to any thoughtful person that the chief hope of the average man in these modern days is in the improvement of his mind.

If you think there is no tragedy in our uneducated millions, then look at these startling facts.

## STARTLING FACTS ABOUT OUR NATION'S SCHOOLS

In 1930 there were 810,000 children between the ages of 7 and 13 who were not going to school.

Most of these children were in the poorest rural areas—report of the Advisory Committee on Education, page 9.

There are approximately 10,000,000 youth of high-school age in the United States and about 6,500,000 of these are enrolled in high school.

There are about 3,500,000 not in high school; yet when young people apply for a job today the first question they are asked is "are you a high-school graduate?"

Under the present industrial, commercial, and agricultural conditions these uneducated youth are not needed in remunerative employment. Suitable educational opportunities must be provided. Wasteful ignorance is too costly to tolerate.

## MORE THAN 2,000,000 WITHOUT ADEQUATE SCHOOLS

Engineers of the Public Works Administration conducted a survey revealing that there has been an increasing deficiency in public-school facilities in the United States since 1911.

That is, school population and school attendance increased faster than school buildings were constructed.

The deficiency amounted to more than \$1,000,000,000.

LXXXIII—416

It was found that there are about 2,700,000, or possibly 2,750,000, children without any school facilities whatever.

## TRAGEDY OF THE HANDICAPPED

Some 2,500,000 children of school age in the United States are handicapped (blind, deaf, partially blind, hard of hearing, crippled, and so forth) in some way that necessitates facilities in addition to those provided for other children.

Not more than 325,000 of these children are receiving the attention necessary to make their education a success.

## ALMOST A MILLION QUIT SCHOOL EACH YEAR

Most of the 900,000 young people who drop out of high school each year before graduating are in need of further educational service, and many of them would respond if suitable part-time programs of instruction were provided.

## THOUSANDS IN SCHOOL ONLY A FEW DAYS

Numbers of children enrolled in schools that were in session various number of days (data available for only 31 States, 1933-34):

90 days or less.....	107,590
91 days to 110 days.....	148,012
111 days to 130 days.....	488,360

Total in schools that are in session approximately 6 months or less.....	743,962
131 days to 150 days.....	704,987

Total 7 months or less.....	1,448,949
151 days to 170 days.....	3,710,582
171 days to 190 days.....	9,882,164
191 days and over.....	609,622

Total for 31 States.....	15,651,317
(From Statistics of State School Systems, 1933-34, Bulletin, 1935, No. 2, U. S. Office of Education, p. 58.)	

## MORE THAN 4,000,000 CANNOT READ OR WRITE

## Illiteracy statistics for the United States, 1930:

		Percent
Total all classes.....	4,283,753	4.3
Native white of native parentage.....	986,469	1.8
Native white of foreign or mixed parentage.....	116,665	0.6
Foreign-born white.....	1,304,084	9.9
Negro.....	1,513,892	16.3

These facts are taken from the Statistical Abstract of United States, 1937. An illiterate is defined as a person 10 years of age or over who cannot read or write in any language.

## Percent of illiteracy by geographical divisions, 1930

	10 years of age and over	Voting age	
		Male	Female
United States.....	4.3	5.2	5.4
New England.....	3.7	3.9	2.7
Middle Atlantic.....	3.5	4.0	5.1
East North Central.....	2.1	2.7	2.8
West North Central.....	1.4	1.9	1.8
South Atlantic.....	3.3	10.9	9.5
East South Central.....	9.6	13.1	11.0
West South Central.....	7.2	8.7	8.7
Mountain.....	4.2	4.5	2.6

From Statistical Abstract of United States, 1937.

## HERE ARE SOME STARTLING FACTS ABOUT OUR SCHOOLS

Although definite information is available with respect to less than half the States and only about 90 cities over 30,000 in population in other States, it is definitely reported that:

First. 687,611 pupils are housed in school buildings which have been condemned as unsafe or unsanitary; many of them death traps.

Second. 618,068 are housed in portable, rented, or other temporary structures.

Third. 391,748 can attend school only part-time because of inadequate housing facilities.

Fourth. 2,301,220 are attending small schools which, in the judgment of chief State school officers, ought to be abandoned in favor of larger consolidated schools.

Estimating from these figures, additional building facilities for 2,700,000 pupils are required merely to replace condemned and temporary structures and to provide full-time accommodations for all pupils.

Likewise, about 16,000 consolidated schools ought to be established in the interest of some 5,000,000 rural children now attending poorly equipped, inefficient schools.

#### CIVIL WAR SCHOOL BUILDINGS

Less than 5 percent of the Nation's school buildings have been constructed since 1930. A third of them were constructed between 1870 and 1900, and about 7.6 percent of them date back to the Civil War period.

Reports from individual States indicate that many other building needs exist.

Buildings are carrying enrollments far in excess of their intended capacities.

Additions, alterations, repairs, and adequate sanitary facilities should receive immediate attention.

#### CONSTRUCTION LAGGED BEHIND NEED

Contrary to an opinion widely held, the period 1918 to 1930 was not one marked by wasteful and unnecessary school building construction.

Individual cases of mismanagement can be cited in this period or any other, but in the Nation as a whole, school building construction lagged behind actual needs.

The amount actually spent for school buildings since 1918 is approximately a billion dollars less than it would have been allowing an expenditure of \$400 for each pupil added to the school system and for one-fiftieth of each year's enrollment.

In the principal cities of the United States school building construction lagged behind that of other types from 1923 to 1930, the period of most liberal school expenditures.

#### DECLINE OF EXPENDITURE

The average annual expenditure per city began to decline in 1926, long before the depression was felt.

During the present crisis, thousands of school districts which lack sufficient resources for current operating expenses can do little to provide needed housing facilities.

Other communities, however, in which buildings can be erected without despoiling the budget for instructional purposes, should no longer neglect their building programs.

#### GOOD INVESTMENT

In addition, during the immediate future, while it is necessary for the Federal Government to give employment to men unable to find a place in industry, no better public-works project is available than the construction of needed school buildings.

Generous provisions for such projects should be made in whatever public-works program the Federal Government pursues.

#### BUILDINGS ENDANGER LIVES OF CHILDREN

In the Nation as a whole about 1,392,600 pupils occupy buildings that have been pronounced unsafe or insanitary.

This number is greater than the total school enrollment in large populous States such as California, Ohio, or Texas; it is equal to the entire population of Nebraska.

#### FACTS YOU SHOULD KNOW ABOUT RURAL SCHOOLS

In 1935-36 the average expenditure per pupil in average daily attendance in all public schools, urban and rural, was \$88.30.

The numbers of urban and rural children in average daily attendance were approximately equal, 11,406,380 urban and 10,892,387 rural.

The average expenditure per pupil in average daily attendance in urban schools was \$108.25, and in rural schools \$67.40.

Low expenditure levels in rural areas are reflected in poorly paid and relatively untrained teachers, reliance on stereotyped forms of textbook instruction with inadequate provision of supplementary books and other instructional materials, school terms averaging a month shorter than those in cities, and a general lack of the health, welfare, guidance, and other services in addition to instruction that are needed by children in schools.

#### FARMERS GET ONLY 9 PERCENT OF NATIONAL INCOME

The farm population not only has a disproportionately heavy educational load; it must carry the load on a per capita income markedly less than that of the nonfarm population.

In 1930 the farm population was responsible for the care and education of 31 percent of the children, but the farmers received only 9 percent of the national income.

About 20 percent of the children of school age in the United States live in States where with no more than average effort more than \$75 per child could be provided for education.

While another 20 percent live in States where not more than \$25 per child could be provided without more than average effort.

During the worst years of the depression, it was necessary to provide funds to keep schools open in many rural areas; Federal aid of this type amounted to a total of about \$22,000,000 during the fiscal years 1934 and 1935.

#### WEALTH GOES TO TOWN

Fundamentally, the differentials in opportunity that now exist are to a considerable extent due to a drainage of wealth from all parts of the country into the towns and cities and particularly into the great metropolitan areas.

One of the causes of the relative poverty of rural regions is the fact that, under present circumstances, future city people are fed and taught largely at the expense of the farmer.

The door of educational opportunity must be kept open for the children of the farmers of America.

As everybody knows, this administration has done more to build schools and help provide educational opportunity than any administration since the foundation of the Republic. But as the startling facts I have presented to you show, there yet remains much to be done if America is to be made secure and democracy be made safe for the world.

The tragedy of our uneducated millions must end because America must live.

#### EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all Members of the House who speak on the relief bill may have permission to revise and extend their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks made earlier in the day and to include certain brief schedules and tables taken from the report and from the hearings.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BINDERUP asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. DREW of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a table of the railways of the United States in the hands of receivers and trustees.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by placing therein a radio speech made by Federal Relief Administrator, Mr. Hopkins.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise the remarks I made this afternoon and insert certain tables that I prepared myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BATES. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and include therein tables

of expenditures by the P. W. A. and also by several States and also a tabulation of internal-revenue collections from several States.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### HOOR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PHILLIPS (at the request of Mr. SMITH of Connecticut), for 1 day, on account of important business.

The SPEAKER. Under special order the gentleman from Minnesota [Mr. KNUTSON] is entitled to be recognized for 5 minutes. The Chair does not see the gentleman present.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6652. An act to provide for the administration and maintenance of the Natchez Trace Parkway, in the States of Mississippi, Alabama, and Tennessee, by the Secretary of the Interior, and for other purposes; and

H. R. 9725. An act to liberalize the provisions of existing laws governing death compensation benefits for widows and children of World War veterans, and for other purposes.

#### ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House, under the order previously adopted, adjourned until tomorrow, Wednesday, May 11, 1938, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs Wednesday, May 11, 1938, at 10 a. m. for the continuation of consideration of H. R. 10433, to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

##### COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 11, 1938, at 10:30 a. m., for the consideration of private bills and unfinished business. Room 445, House Office Building.

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. LEA's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 11, 1938, for the continuation of a hearing on H. R. 9909, wool labeling.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, May 13, 1938. Business to be considered: Hearing on H. R. 4358, train dispatchers' bill.

There will be a meeting of Mr. SADOWSKI's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 18, 1938, for the consideration of H. R. 9739, to amend the Motor Carrier Act.

##### COMMITTEE ON THE JUDICIARY

There will be a hearing held before the Committee on the Judiciary Wednesday, May 18, 1938, and Thursday, May 19, 1938, on the resolutions proposing to amend the Constitution

of the United States to provide suffrage for the people of the District of Columbia. The hearing will be held in the caucus room of the House Office Building beginning at 10 a. m. on the days mentioned.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1309. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher; to the Committee on Claims.

1310. A letter from the Chairman of the Securities Exchange Commission, transmitting a further part of the Commission's study and investigation of the work, activities, personnel, and functions of protective and reorganization committees; to the Committee on Interstate and Foreign Commerce.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. House Joint Resolution 679. Joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects; with amendment (Rept. No. 2317). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIES: Committee on Rules. House Resolution 282. Resolution providing for a special committee to investigate un-American propaganda; without amendment (Rept. No. 2319). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3595. An act to authorize the purchase and distribution of products of the fishing industry; without amendment (Rept. No. 2320). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9577. A bill to amend section 402 of the Merchant Marine Act, 1936, to further provide for the settlement of ocean mail contract claims; with amendment (Rept. No. 2321). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 10337. A bill to amend title VI of the Merchant Marine Act, 1936, and for other purposes; with amendment (Rept. No. 2322). Referred to the Committee of the Whole House on the state of the Union.

Mr. FORD of Mississippi: Committee on Foreign Affairs. S. J. Res. 289. Joint resolution to provide that the United States extend an invitation to the governments of the American republics, members of the Pan American Union, to hold the Eighth American Scientific Congress in the United States in 1940 on the occasion of the fiftieth anniversary of the founding of the Pan American Union; to invite these governments to participate in the proposed Congress; and to authorize an appropriation for the expenses thereof; without amendment (Rept. No. 2323). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM: Committee on Appropriations. H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938; without amendment (Rept. No. 2324). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERNARD: A bill (H. R. 10588) authorizing and directing the Secretary of the Treasury to execute an easement deed to the city of Duluth for park, recreational, and

public purposes covering certain federally owned lands; to the Committee on Public Buildings and Grounds.

By Mr. LUECKE of Michigan: A bill (H. R. 10589) to amend the Wisconsin Chippewa Jurisdictional Act of August 30, 1935 (49 Stat. 1049); to clarify the act, to make it more equitable, and to extend the time for filing; to the Committee on Indian Affairs.

Also, a bill (H. R. 10590) requiring 60 days' notice before discontinuance of any train carrying United States mails; to the Committee on the Post Office and Post Roads.

By Mr. ENGLEBRIGHT: A bill (H. R. 10591) to authorize the addition of certain lands to the Plumas National Forest, Calif.; to the Committee on the Public Lands.

By Mr. LUECKE of Michigan: A bill (H. R. 10592) to authorize the Secretary of Commerce to dispose of a certain lighthouse reservation in the State of Michigan; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBSEN: A bill (H. R. 10593) to grant the same benefits for 45 days' service as has been granted for 90 days' service to certain soldiers, sailors, and nurses (nurses enlisted for 90 days) of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes; to the Committee on Pensions.

By Mr. MAAS: A bill (H. R. 10594) to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve; to the Committee on Naval Affairs.

By Mr. HOFFMAN: Resolution (H. Res. 496) to determine the effectiveness of the Wagner Act and the manner of its enforcement; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H. R. 10595) granting an increase of pension to Mary Gavin; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 10596) granting an increase of pension to Alice D. Stayton; to the Committee on Pensions.

Also, a bill (H. R. 10597) granting an increase of pension to Mary Watkins; to the Committee on Invalid Pensions.

By Mr. FORAND: A bill (H. R. 10598) for the relief of the Central Engineering & Construction Co.; to the Committee on Claims.

By Mr. GAMBRILL of Maryland: A bill (H. R. 10599) for the relief of Daniel Jordan; to the Committee on Naval Affairs.

By Mr. IZAC: A bill (H. R. 10600) granting a pension to Edwin A. Savage; to the Committee on Pensions.

By Mr. LUECKE of Michigan: A bill (H. R. 10601) for the relief of Herbert Therrien; to the Committee on Claims.

By Mr. SCRUGHAM: A bill (H. R. 10602) for the relief of Fred J. Leonard; to the Committee on Claims.

By Mr. VINSON of Georgia: A bill (H. R. 10603) governing the retired pay of a chief pharmacist mate, United States Navy; to the Committee on Naval Affairs.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5077. By Mr. BLOOM: Petition of the American Legion, New York County organization, favoring the retention of all post exchanges without restriction and urging that post exchanges be established in Army encampments, bases, forts, and reservations so that enlisted men and officers receive the benefits; to the Committee on Military Affairs.

5078. Also, petition of the locals in region No. 1 of the United Automobile Workers of America, comprised of all the Eastern States, including New York State, urging that the

wage and hour bill be enacted immediately; to the Committee on Labor.

5079. Also, petition of the Senate of the State of New York, favoring the enactment of Senate bill 682 and House bill 5169, which legislation provides in cooperation with the States for the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources of our country; to the Committee on Education.

5080. Also, petition of the United Optical Workers Union, No. 208, favoring the immediate enactment of the wage and hour bill; to the Committee on Labor.

5081. Also, petition of the United Paper Workers L. I. Union, No. 292, Brooklyn, N. Y., urging the immediate enactment of the wage and hour bill; to the Committee on Labor.

5082. Also, petition of the Senate of the State of New York, protesting against the enactment of House bill 3134, which imposes a sales tax in the amount of 1 cent per gallon upon fuel oil; to the Committee on Ways and Means.

5083. By Mr. CULKIN: Petition of the Legislature of the State of New York, opposing enactment of the Boland bill (H. R. 3134); to the Committee on Ways and Means.

5084. Also, petition of the Common Council of Oswego, N. Y., certified by Leonard T. Gadwood, city clerk, and approved by Willard J. Hall, mayor, favoring enactment of the wage and hour bill; to the Committee on Labor.

5085. Also, petition of the Legislature of the State of New York, urging enactment of Senate bill 682 and House bill 5169, which make provision in cooperation with the States for the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources of the United States; to the Committee on Education.

5086. By Mr. CURLEY: Petition of the Parents' Association of Public School No. 38, Borough of the Bronx, New York City, protesting against the dismissal of any agents of the Federal Bureau of Investigation because of reduction or lack of appropriations; to the Committee on Appropriations.

5087. Also, petition of the Association of Limb Manufacturers of America, Inc., urging the Federal Government and its agencies to withdraw from the manufacture, sale, and distribution of artificial limbs; to the Joint Committee on Veterans' Affairs.

5088. By Mr. JARRETT: Resolution of the Board of Supervisors of Sugar Creek Township, Venango County, Pa., favoring allocating Works Progress Administration funds to local communities; to the Committee on Appropriations.

5089. By Mr. LUTHER A. JOHNSON: Petition of Walter P. Taylor, president, Local 557, National Federation of Federal Employees, College Station, Tex., favoring House bills 2700 and 6587; to the Committee on the Civil Service.

5090. Also, petition of Thomas F. Mayo, librarian of Texas Agricultural and Mechanical College of Texas, favoring House bill 5471; to the Committee on Printing.

5091. By the SPEAKER: Petition of citizens of Malone of the county of Franklin of the State of New York, petitioning consideration of their request relative to radio advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

5092. Also, petition of the city of Granite City, Granite City, Ill., petitioning consideration of their resolution with reference to public-works projects; to the Committee on Appropriations.

5093. Also, petition of the Brotherhood of Railroad Trainmen, Houston, Tex., petitioning appropriations for the Senate Civil Liberties Committee; to the Committee on Appropriations.

5094. Also, petition of the Brotherhood of Railroad Trainmen, Western Shore, No. 71, Oakland, Calif., petitioning consideration of their resolution dated May 2, 1938, with reference to labor; to the Committee on Appropriations.

5095. Also, petition of the county commissioners of Cottonwood County, State of Minnesota, petitioning consideration of their resolution dated May 3, 1938, concerning House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.